

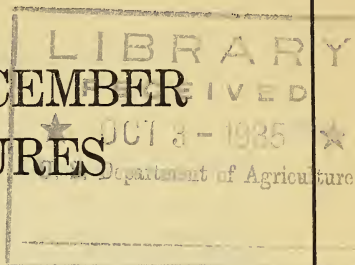
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# CORNER IN DECEMBER SUGAR FUTURES

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LETTER  
FROM THE  
SECRETARY OF THE DEPARTMENT OF AGRICULTURE  
TRANSMITTING  
IN RESPONSE TO SENATE RESOLUTION No. 41, A REPORT  
RELATIVE TO THE SO-CALLED "CORNER" IN  
DECEMBER SUGAR FUTURES



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## LETTER OF SUBMITTAL

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DEPARTMENT OF AGRICULTURE,  
*Washington, D. C., March 26, 1935.*

The PRESIDENT OF THE SENATE.

SIR: On January 14, 1935, the Senate of the United States adopted the following resolution (S. Res. 41, 74th Cong.):

*Resolved*, That the Secretary of Agriculture is requested to report to the Senate (a) all information at the disposal of the Department and the Agricultural Adjustment Administration respecting the so-called "corner" in December sugar futures; and the ultimate results as found by these Government agencies and by the New York Coffee and Sugar Exchange; (b) the history of any dealings the Department of Agriculture or the Agricultural Adjustment Administration may have had with the merchandising of the 1934 Cuban sugar quota in the United States; (c) the names of all so-called "long" and "short" traders in December sugar futures on the New York Coffee and Sugar Exchange if available; (d) the names of the members of the board of directors and of the managers of the New York Coffee and Sugar Exchange, and of the personnel of the Cuban Sugar Stabilization Institute; (e) the names of any banks or other financial institutions in the United States known to the Department or the Agricultural Adjustment Administration to have been connected with financing, or refusing to finance, the 1934 Cuban sugar crop; (f) the effect, if any, of Cuban price decrees and of the so-called "corner" in December futures upon the sugar price index in the United States; and (g) any other available information bearing upon additional legislation that may be needed to safeguard the objective of the Jones-Costigan Act or to control commodity dealings on the New York Coffee and Sugar Exchange.

A report pursuant to the requests made in the above resolution is herewith submitted.

Sincerely yours,

H. A. WALLACE, *Secretary.*





# THE SO-CALLED "CORNER" IN DECEMBER SUGAR FUTURES ON THE NEW YORK COFFEE AND SUGAR EXCHANGE

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## INTRODUCTION

Before the various clauses of Senate Resolution 41 of January 14, 1935, are dealt with, it is desirable to outline briefly the world and United States market situation in the latter part of 1934, during which period the basis for the December disturbances in the dealings on the New York Coffee and Sugar Exchange was established.

## THE WORLD SITUATION

At the end of August, it had become generally known that the negotiations which had been pending relative to the renewal of the International Sugar Agreement had been suspended indefinitely. Under the international agreement sharp restrictions had been made during the last 4 years in sugar production and in exports of the leading producing and exporting countries of the world.

The first estimates of the European beet-sugar production indicated an increase from 7,267,494 long tons in the 1933-34 crop to 8,092,500 long tons in 1934-35. This was an increase of 825,000 long tons, or 11.4 percent in 1 year. Subsequent estimates of the European beet crop were revised upward, month by month. (The Jan. 31, 1935, estimate of the European crop is 8,463,000 long tons.)

It was feared in the world sugar markets that surplus sugar produced in the Philippine Islands over and above the marketing quota established in the United States for such sugars under the Jones-Costigan Act would be dumped in part on the world markets.

Although Java had progressively curtailed its sugar crop from 2,845,507 tons in 1931 to 644,164 tons in 1934, stocks were only slightly lower than in 1931 (2,054,585 metric tons on Dec. 31, 1934, against 2,146,944 tons on Dec. 31, 1931.) The estimate for the 1934-35 crop of Japan and Formosa was increased to 1,142,250 tons as compared with 809,568 tons in the previous crop.

The world price of sugar, as reflected on the London market, declined from 1 cent per pound at the beginning of September to a record low level (gold basis) of 0.84 cent per pound in mid-November.

## THE UNITED STATES POSITION

On August 20, the Hawaiian Sugar Planters' Association filed suit in the District of Columbia Supreme Court against the Secretary of Agriculture, seeking to have the provisions of the Jones-Costigan

Act set aside as applied to the Territory of Hawaii. This suit caused apprehension regarding the effect upon the United States sugar market of an unfavorable court decision, which would result in the release of large stocks of overquota sugars held in customs warehouses under the quota provisions of the Jones-Costigan Act.

Most of the sugar brokerage houses, which specialized in advising buyers on the trend of sugar prices, were confused about the prospective supply and demand position in the United States for the last quarter of the year and forecast large surpluses at the year end which did not materialize. For example, one broker stated:<sup>2</sup>

Fundamentally, the sugar position is unsound. There is too much sugar. The statistics on page 25 indicate that if consumption from September 1 is the same as last year, there will be about 500,000 tons more sugar available under authorized quotas than will be required for consumption this year. This is based on the amount that can come in. If we calculate the amount which will compete to come in, the quantity is increased to more than 800,000 tons. These figures are based on counting quota as duty is paid. Presumably all of the surplus will be Cuban sugar.

Seasonal pressure of stocks in the United States was at its peak around September 1. In anticipation of tariff changes, refineries had processed duty-free sugars in the early part of the year and had deferred processing their stocks of Cuban raw sugar until later in the year. There were also considerable quantities of Philippine overquota sugars in store under customs custody and control. Although such sugars were not available for disposal during 1934 under the quota provisions of the act, many in the sugar trade did not grasp the distinction between such impounded stocks and ordinary free-sugar stocks until later in the year.

On October 9, 1934, a court decision was announced by the Federal District Court of New York in the long pending Sugar Institute case, ordering the discontinuance of certain trade practices in restraint of trade. This decision was the final act in the liquidation of what had been a well integrated and apparently effective method of control of price-depressing competitive practices in the sale of refined sugar, including not only the cane-sugar refiners, but the beet-sugar refiners and the importers of direct consumption sugar. It should be noted that several declines in the price of refined sugar, which brought the refiners' list price down to 4.30 cents per pound by the end of the year as compared with the July-September price of 4.75 cents per pound, followed the announcement of the court's decision.

As against the foregoing market factors which tended towards a declining price for sugar, there were two important forces resisting the declining price tendency:

1. The series of measures taken by the Agricultural Adjustment Administration under the Jones-Costigan Act in alleviating the pressure of seasonal stocks and the working out of important crop-adjustment programs in the various regions of sugar production.

2. The effort of Cuba through various decrees to stabilize the price of sugar and to eliminate seasonal pressure.

The net outcome of these influences was a relatively high differential in the United States price above world parity, as shown in the following table:

<sup>2</sup> B. W. Dyer & Co. in the Sugar Index, Sept. 7, 1934.

|                             | Amount by which cost and freight price in United States exceeded the London price | Amount by which duty-paid price in United States exceeded the London price |
|-----------------------------|---|--|
|                             | <i>Cents per pound</i>  | <i>Cents per pound</i>   |
| January.....                | 0.122   | 2.122  |
| February.....               | .126  | 2.126  |
| March.....                  | -.019   | 1.981  |
| April.....                  | -.263   | 1.737  |
| May.....                    | -.270   | 1.730  |
| June.....                   | .267  | 1.882  |
| July.....                   | .592  | 2.092  |
| August.....                 | .723  | 2.223  |
| September.....              | 1.003   | 1.928  |
| October.....                | 1.065   | 1.965  |
| November.....               | 1.052   | 1.952  |
| December.....               | .822  | 1.722  |
| 1934 average.....           | +.435   | 1.955  |
| Average first 6 months..... | -.606   | 1.930  |
| Average last 6 months.....  | .876  | 1.980  |

It will be noted that during the first 6 months of the year the spread between the price of sugar, cost and freight, at New York and London parity averaged 0.006 of a cent, or practically zero, while in the last 6 months, the United States price, cost and freight, exceeded the London price by 0.876 cent per pound.

The December disturbances on the New York Coffee and Sugar Exchange are to be considered in the light of the foregoing basic facts.

(a) All information at the disposal of the Department and the Agricultural Adjustment Administration respecting the so-called "corner" in December sugar futures; and the ultimate results as found by these Government agencies and by the New York Coffee and Sugar Exchange

The material submitted in this report is taken from public sources, from the files of the sugar section of the Agricultural Adjustment Administration, and from replies by the New York Coffee and Sugar Exchange to requests of the Department for information. Compulsory process has not been resorted to in order to obtain further information or verification of information submitted to the Department. Senate Resolution 41 does not seem to contemplate the use of compulsory process.

It is believed that the Senate resolution did not contemplate submission of available information as to the effects upon individuals who may have been implicated in the December disturbances on the New York Coffee and Sugar Exchange and that the information requested in the first part of the above quoted clause of the resolution relates to the available statistical and economic data required for a clear understanding of the conditions which led to the "corner". Such data are included in response to other clauses of Senate Resolution 41 and in the exhibits.

Request is also made in clause (a) of the resolution for "the ultimate results as found by these Government agencies." The Department has assumed that "the ultimate results" relate to the economic effects of the so-called "corner" as found by the Agricultural Adjustment Administration and the Department of Agriculture and that the term was not intended to include the effects upon individuals who were trading either on the "long" or "short" side of the market.



"The ultimate results" in the sense thus defined are examined in detail in the response to clauses (e) and (f) of the resolution.

In reference to "the ultimate results" as found by the New York Coffee and Sugar Exchange, there is attached herewith copy of a report sent to the Secretary of Agriculture, under a covering letter dated January 23, 1935, by William H. English, Jr., then the president of the board of managers of the exchange. This report outlines the measures taken by the board of managers of the exchange in reference to trading in December 1934 sugar contracts, the action taken by the adjudication committee under the bylaws of the exchange, and the final action of the board, after hearings, in reference to individual firms who were implicated in the December disturbances.

It will be noted that the president of the board of managers points out in his letter—

that at no time did a so-called "corner" or "squeeze" actually exist in the month of December 1934, although had the board failed to take the actions it did prices would have unquestionably reached a height where obviously a most artificial and harmful condition would have existed.

[Enclosure No. 1]

JANUARY 23, 1935.

Hon. HENRY A. WALLACE,  
*Secretary of Agriculture, Washington, D. C.*

DEAR SIR: The board of managers of the New York Coffee & Sugar Exchange is appreciative of the courtesy extended by you in not requiring a report until after the completion of our deliberations with respect to the situation in December 1934 contracts in sugar on the exchange.

Submitted herewith are copies of the statements made to the membership and of decisions reached in each of the 15 cases.

The board desires to inform you that it took, after due consideration, every action which, in its opinion, should be taken in an effort to avoid the unfortunate situation which developed, under conditions which were without precedent and to respectfully point out that at no time did a so-called corner or squeeze actually exist in the month of December 1934, although, had the board failed to take the actions it did, prices would have unquestionably reached a height where obviously a most artificial and harmful condition would have existed.

The board further wishes to inform you that it desires to cooperate most heartily in any investigation that you may care to make with respect to the situation and but awaits expression of your desires relative thereto.

Very truly yours,

(Signed) WM. H. ENGLISH, JR., *President.*

At a meeting of the board of managers held on January 21, 1935, the following resolution was unanimously adopted:

"Resolved, That the president be, and he is hereby, authorized and instructed to make the following statement to the members from the rostrum of the exchange:

"For some months prior to the first notice day for December 1934 contracts in sugar, the board was aware that a tense situation was likely to arise with respect to deliveries of sugar in that month. At a number of meetings, regular and special, held before and after November 24, 1934, communications were received from members on the subject, and thorough consideration and study was given for proper action based on the bylaws, having due regard for the just rights of buyer and seller under the contract, just and equitable principles of trade and the responsibility of the board to protect the best interests of the exchange of the State."

On December 15, 1934, the board suspended trading across the ring in December 1934 sugar contracts, except for liquidation, by adopting the following resolution:

"Resolved, That in view of the emergency arising from the possible shortage of sugar available for delivery in December 1934 and by virtue of the authority vested in the board by section 110 of the bylaws, trading on the exchange in

December 1934 contracts in sugar, except in the case of liquidation of contracts made prior to December 15, 1934, be suspended until further notice."

On the same day the following resolutions were adopted, and communicated to the membership from the rostrum or otherwise:

"*Resolved*, That it is the opinion of the board that it is to the best interests of the members of the exchange to advise all members who hold an interest in raw-sugar contracts in the month of December 1934 that any procedure which they may adopt in the liquidation of said contracts which, in the opinion of the board, may be detrimental to the best interests of the exchange as a whole, will be promptly investigated and referred to the business conduct committee for proper action under the bylaws and rules;

"*Resolved*, That, beginning at 10 a. m. on December 17, 1934, all brokers trading in December 1934 contracts on the exchange in raw sugar be required to file immediately with the superintendent the names of the buyer and seller thereof and the quantity and price: Be it further

"*Resolved*, That transactions made on or after December 15, 1934, involving settlement in sugar for December 1934 contracts on the exchange (not made on the floor of the exchange) in accordance with rule 15, paragraph 3, must be reported by the participants to the superintendent, giving the name, price, and quantity, during the day or, if made on a Saturday or holiday, during the following business day."

Prior to the adoption of the above resolutions a notice was sent on December 14, 1934, to all members of the New York Coffee & Sugar Clearing Association, reading as follows:

"Notice is hereby given that every clearing member (or in the case of his inability to attend, a partner of any such clearing member) who has an open position in sugar in December 1934 contracts is summoned to appear before the board of managers of the New York Coffee & Sugar Exchange, Inc., in the board of managers' room on Monday, December 17, 1934, at 3:15 p. m. in regard to the situation existing in connection with December 1934 contracts.

"By order of the Board of Managers,  
"A. D. CORBETT, *Superintendent.*"

Pursuant to such notice those members of the clearing association who had an open position in December 1934 sugar contracts on their books, appeared before the board on December 17, 1934, and were advised of the seriousness of the situation and requested to cooperate by effecting liquidation of contracts held for their own account and to endeavor to effect in every way possible the liquidation of accounts for clients in order that the situation might be alleviated by such liquidation.

The president read a statement of the board to the clearing members explaining the situation arising from the possible shortage of sugar available for delivery on December 1934 contracts and the emergency arising thereby which concluded:

"I have therefore been instructed to inform you that unless all open contracts in sugar for December 1934 are liquidated before 3 p. m. on December 20, 1934, the board proposes to suspend all trading in December 1934 contracts in sugar, and require the liquidation of all such contracts, or cause an investigation to be made by the business-conduct committee, or take such other action as the bylaws permit, and as the board in its discretion may deem advisable. So that the board will know whether action by it is necessary, all clearing members are required to file with the superintendent, prior to 3:30 p. m. on Thursday, December 20, 1934, a statement of whether they have at that time any open position in December 1934 contracts in sugar."

On December 20, 1934, trading across the ring in December 1934 contracts was suspended entirely and a committee for voluntary liquidation was appointed, and the following notice was sent to all members of the exchange:

DECEMBER 21, 1934.

*To the Members of the New York Coffee & Sugar Exchange, Inc.:*

At a meeting of the board of managers held December 20, the following resolution was adopted:

"Whereas an unusual situation in the December 1934 sugar position, arising through an exceptional contingency, has been found by this board to exist and to be such a situation as is contemplated in section 110 of the bylaws: Be it

"*Resolved*, By an unanimous vote of this board and by virtue of the power conferred on them by section 110 of the bylaws, that trading in December 1934 contracts in sugar, except as is hereinafter provided, shall be and hereby is sus-



pending as of the close of trading on December 20, 1934, and that the president be requested to announce this action to the members from the rostrum and to cause such announcement to be made on the ticker and by mail to all members; be it further

*"Resolved,* That a committee for voluntary liquidation of not less than three be appointed by the president to facilitate the liquidation of open sugar contracts for delivery in December 1934, and that such committee for voluntary liquidation have power to require all members having open contracts for sugar for December 1934 to appear before them and to disclose their position and indicate, at their option, whether they desire to deliver or receive sugar (as the case may be) or to have a settlement of their contracts; that the committee have further power to suggest to such members a method of liquidating contracts by allotting deliveries of sugars available for delivery to those desiring to receive sugars, or to endeavor to arrange liquidation by a monetary settlement, and in the event of any private settlements being made, to require that such settlements be reported to the committee for its information.

*"Resolved further,* That the rights of parties to contracts still open at 3 p. m. on December 24, 1934, as reported to the board by the committee for voluntary liquidation, shall be reserved for determination in accordance with the bylaws and rules of the exchange, and that neither these resolutions nor the action of said committee for voluntary liquidation shall predetermine the applicability of sugar trade rule 15 or the penalties therein provided for, or the applicability of other bylaws and rules of the exchange.

*"A. D. CORBETT, Superintendent."*

The committee for voluntary liquidation sat on December 21, 22, and 24, 1934; summoned all the members who had open contracts in sugar for December 1934; and urged their cooperation with the board by the liquidation of their contracts, and endeavored to assist in effecting such liquidation.

On December 26, 1934, liquidation not having been effected in substantial amount, and default having been made on a number of contracts, with a total of 15 member firms having positions in December 1934 sugar contracts, either for their own or clients' account, the board referred the whole matter to the adjudication committee in the following resolution:

*"Whereas* pursuant to the provisions of section 110 of the bylaws, trading in sugar for December 1934 delivery was suspended and a committee for voluntary liquidation was appointed; and

*"Whereas* the committee for voluntary liquidation has completed its labors and has reported that as of December 24, 1934, 370 lots of December 1934 sugar were still open; and

*"Whereas* certain holders of long contracts have demanded delivery of sugar and certain sellers have not complied with this demand; and

*"Whereas* certain sellers have tendered delivery of sugar in storage in bonded warehouses, which holders of long contracts claim is not good delivery in view of the fact that the quota for Cuban sugar for 1934 has been filled; and

*"Whereas* section 11 of the bylaws authorizes the board of managers of their own volition to instruct the adjudication committee to investigate and report under section 46 any case of alleged proceedings inconsistent with just and equitable principles of trade, or any conduct detrimental to the best interests of the exchange or of the State; and

*"Whereas* section 44 provides that the adjudication committee shall perform such duties as may from time to time be assigned to them by the board of managers with power to summon before them and examine any member of the exchange.

*"Resolved,* That the adjudication committee be, and it hereby is, authorized and directed to make an investigation and report to the board with respect to the following matters, to wit:

1. Whether in connection with contracts in sugar for December 1934 delivery, any member has been guilty of proceedings inconsistent with just and equitable principles of trade, or any conduct detrimental to the best interests of the exchange or of the State, or other misconduct, and, if so, their findings with respect to such matters.

"2. Whether, in view of the fact that the quota for Cuban sugar established by the United States Government for 1934 was filled on December 18, 1934, sugar in storage in bonded warehouses, which has been held by the Government not to be within the quota was thereafter deliverable under exchange contracts for December 1934.

"3. The action which should be taken in each instance by reason of the non-fulfillment of any such contract.

*Resolved further*, That the adjudication committee, in making their investigation, consider the question of good faith of both longs and shorts in connection with contracts in sugar for December 1934 delivery; and

*Resolved further*, That the adjudication committee be supplied with copies of the letters received and sent by the board in connection with this matter, copies of the resolutions of the board and of the report and proceedings of the committee for voluntary liquidation.

The adjudication committee acted promptly, giving hearings to all interested parties, and between January 7 and January 10, 1935, made a number of separate reports with respect to the various member firms involved. The board duly considered each of these reports, together with the oral and documentary evidence taken by the adjudication committee, and accorded hearings to each of the clearing member firms referred to in such reports.

The board, after holding hearings on these matters on 11 separate days, and after devoting more than 75 hours to their consideration, has adopted the resolutions in the respective cases, as follows:

WITH RESPECT TO SLAUGHTER, HORNE & CO.

*Resolved*, That Slaughter, Horne & Co. have shown a commendable effort to effect the liquidation of the contracts of their clients in December 1934 sugar and by so doing cooperated with the board to the fullest extent reasonably to be expected. The charge against them is hereby dismissed.

WITH RESPECT TO ABBOTT, PROCTOR & PAINE

*Resolved*, That Abbott, Proctor & Paine, as members of this exchange, were obligated and expected to make unusual and extraordinary efforts to effect the purpose of the board and bring about the liquidation of their clients' December 1934 sugar contracts; that although the board considers the circumstances in their case mitigating and understandable, it wishes to admonish them that in the future the board will expect their every action to be taken with full realization of their responsibility to further the best interests of the exchange and to cooperate with the board of managers.

WITH RESPECT TO EASTMAN, DILLON & CO.

*Resolved*, That Eastman, Dillon & Co., as members of this exchange, were obligated and expected to make unusual and extraordinary efforts to effect the purpose of the board and bring about the liquidation of their clients' December 1934 sugar contracts; that although the board considers the circumstances in their case mitigating and understandable, it wishes to admonish them that in the future the board will expect their every action to be taken with full realization of their responsibility to further the best interests of this exchange and to cooperate with the board of managers.

WITH RESPECT TO FARR & CO.

*Resolved*, That Farr & Co., as members of this exchange, were obligated and expected to make unusual and extraordinary efforts to effect the purpose of the board and bring about the liquidation of their clients' December 1934 sugar contracts; that although the board considers the circumstances in their case mitigating and understandable, it wishes to admonish them that in the future the board will expect their every action to be taken with full realization of their responsibility to further the best interests of this exchange and to cooperate with the board of managers.

WITH RESPECT TO J. ARON & CO.

*Resolved*, That the board of managers sustain the complaint contained in the report of the adjudication committee (dated Jan. 8, 1935) relating to J. Aron & Co.; that in view of the extraordinary and unprecedented condition and in view of the obvious intention and desire of the board with relation to the December 1934 sugar position, J. Aron & Co. have not only failed to cooperate with the board in the best interest of the exchange but, on the contrary, have by their actions or lack of action furthered the serious aspects of the situation, and they are hereby censured.



## WITH RESPECT TO LAMBORN, HUTCHINGS &amp; CO.

*Resolved*, That the board of managers sustain the complaint contained in the report of the adjudication committee (dated Jan. 8, 1935) relating to Lamborn, Hutchings & Co.; that in view of the extraordinary and unprecedented condition and in view of the obvious intention and desire of the board with relation to the December 1934 sugar position, Lamborn, Hutchings & Co. have not only failed to cooperate with the board in the best interest of the exchange but, on the contrary, have by their actions or lack of action furthered the serious aspects of the situation, and they are hereby censured.

## WITH RESPECT TO LITTLE &amp; CHRISTMAN

*Resolved*, That the board of managers sustain the complaint contained in the report of the adjudication committee (dated Jan. 8, 1935) relating to Little & Christman; that in view of the extraordinary and unprecedented condition and in view of the obvious intention and desire of the board with relation to the December 1934 sugar position, Little & Christman have not only failed to cooperate with the board in the best interest of the exchange but, on the contrary, have by their actions or lack of action furthered the serious aspects of the situation and they are hereby censured.

## WITH RESPECT TO LOBO &amp; CO.

*Resolved*, That the board of managers sustain the complaint contained in the report of the adjudication committee (dated Jan. 8, 1935) relating to Lobo & Co.; that in view of the extraordinary and unprecedented condition and in view of the obvious intention and desire of the board with relation to the December 1934 sugar position, Lobo & Co. have not only failed to cooperate with the board in the best interest of the exchange, but, on the contrary, have by their actions or lack of action furthered the serious aspects of the situation and they are hereby censured.

## WITH RESPECT TO LEHMAN BROS.

*Resolved*, That Lehman Bros., as members of this exchange, were obligated and expected to make unusual and extraordinary efforts to effect the purpose of the board and bring about the liquidation of their clients' December 1934 sugar contracts; that although the board considers the circumstances in their case mitigating and understandable, it wishes to admonish them that in the future the board will expect their every action to be taken with full realization of their responsibility to further the best interests of this exchange and to cooperate with the board of managers.

## WITH RESPECT TO FRANK C. LOWRY &amp; CO.

*Resolved*, That Frank C. Lowry & Co., as members of this exchange, were obligated and expected to make unusual and extraordinary efforts to effect the purpose of the board and bring about the liquidation of their clients' December 1934 sugar contracts; that although the board considers the circumstances in their case mitigating and understandable, it wishes to admonish them that in the future the board will expect their every action to be taken with full realization of their responsibility to further the best interests of this exchange and to cooperate with the board of managers.

## WITH RESPECT TO E. M. RICHARDS &amp; CO.

*Resolved*, That E. M. Richards & Co. as members of this exchange were obligated and expected to make unusual and extraordinary efforts to effect the purpose of the board and bring about the liquidation of their clients' December 1934 sugar contracts; that although the board considers the circumstances in their case mitigating and understandable, it wishes to admonish them that in the future the board will expect their every action to be taken with full realization of their responsibility to further the best interests of this exchange and to cooperate with the board of managers.

## WITH RESPECT TO SHIELDS &amp; CO.

*Resolved*, That Shields & Co., as members of this exchange, were obligated and expected to make unusual and extraordinary efforts to effect the purpose of the board and bring about the liquidation of their clients' December 1934 sugar



contracts; that although the board considers the circumstances in their case mitigating and understandable, it wishes to admonish them that in the future the board will expect their every action to be taken with full realization of their responsibility to further the best interests of this exchange and to cooperate with the board of managers.

WITH RESPECT TO THOMSON & M'KINNON

*Resolved*, That the board of managers sustain the complaint contained in the report of the adjudication committee (dated Jan. 8, 1935) relating to Thomson & McKinnon; that in view of the extraordinary and unprecedented condition and in view of the obvious intention and desire of the board with relation to the December 1934 sugar position, Thomson & McKinnon have not only failed to cooperate with the board in the best interest of the exchange but, on the contrary, have by their actions, or lack of action, furthered the serious aspects of the situation and they are hereby censured.

WITH RESPECT TO HAYDEN, STONE & CO.

*Resolved*, That the board of managers sustain the complaint contained in the report of the adjudication committee (dated Jan. 8, 1935) relating to Hayden, Stone & Co.; that in view of the extraordinary and unprecedented condition and in view of the obvious intention and desire of the board with relation to the December 1934 sugar position, Hayden, Stone & Co. have not only failed to cooperate with the board in the best interests of the exchange but, on the contrary, have by their actions, or lack of action, furthered the serious aspects of the situation and thereby acted in a manner detrimental to the best interests of the exchange and they are hereby censured.

WITH RESPECT TO B. W. DYER & CO.

*Resolved*, That the board of managers sustain the complaint contained in the report of the adjudication committee (dated Jan. 10, 1935) relating to B. W. Dyer & Co. and hereby suspends B. W. Dyer and B. W. Dyer & Co. from the privileges of this exchange for a period of 18 months from January 23, 1935, at 10 a. m.

(b) The history of any dealings the Department of Agriculture or the A. A. A. may have had with the merchandising of the 1934 Cuban sugar quota in the United States

In reference to the Cuban sugar quota, the official concern of the Agricultural Adjustment Administration and the Department of Agriculture was confined solely to the establishment of the quota in accordance with the provisions of the Jones-Costigan Act and to the supervision of the imports of Cuban sugar into the United States, after establishment of the quota.

On June 9, 1934, General Sugar Quota Regulations, Series 1, was issued fixing the Cuban 1934 quota at 1,901,752 tons, of which not more than 418,385 tons could be admitted in the form of direct consumption sugar. (Copy of this regulation is herewith attached.) Immediately after the quota was established, it was necessary to determine the exact point of administrative control for counting imports arriving from Cuba against the quota. Cuban producers and the principal American importers of Cuban sugars requested that sugars from Cuba should be counted against the quota immediately upon arrival at customs ports and not after withdrawal from customs warehouses upon payment of duty. The adoption of their basis of counting arrivals from Cuba would have meant that considerable quantities of Cuban sugar in bonded warehouses on January 1, 1934, which had arrived prior to that date would not have been counted against the 1934 Cuban quota. Stocks of dutiable imported refined sugar in the United States on January 1, 1934, in bonded warehouses

(mainly of Cuban origin) aggregated 163,606 short tons. About 130,000 tons of Cuban raw sugars were also held in bonded warehouses on that date. The total amount of Cuban sugar which would have been released for consumption under the administrative procedure urged by the importers would not have been 1,901,752 tons but would have been several thousand tons larger. It appeared to the Agricultural Adjustment Administration that such increase in the available supplies of sugar for United States consumption was not contemplated by the act and the administrative procedure was adopted of counting Cuban sugars against the quota upon release from bonded warehouse when the duty was paid.

Toward the end of the year, it became clear, however, that Cuban producers in order to bring into the United States the balance of their 1934 quota might sell sugars to refiners at disadvantageously low prices in order to avoid carrying over their 1934 quota sugars into 1935, which would have meant that the 1934 Cuban quota had been effectively reduced. At the same time (Nov. 5, 1934) the president of the New York Coffee & Sugar Exchange advised the Agricultural Adjustment Administration that the necessity for payment of duty, as a condition of having sugars counted against the Cuban quota in conjunction with the Cuban decrees, severely curtailed the amount of raw sugar which was available for delivery on the exchange against the December contract. Copy of the letter of November 5, 1934, from the exchange is herewith appended:

[Enclosure no. 2]

NEW YORK COFFEE & SUGAR EXCHANGE, INC.,  
New York, November 5, 1934.

MR. J. F. DALTON,  
Chief Sugar Division,  
Department of Agriculture, Washington, D. C.

MY DEAR MR. DALTON: Following the enactment of the Jones-Costigan bill and the subsequent lowering of the duty on Cuban sugar and later the increase in Cuba's preference, there were signed in Cuba certain decrees which have brought about a peculiar and serious situation. This situation as it exists at the moment endangers the normal functioning of our exchange and, consequently, we fear it will seriously react to the disadvantage of the sugar industry.

As a result of these Cuban decrees, which need no review here, and as the result of the action by Cuban authorities in their interpretation of these decrees, there have been forced out of United States bonded warehouses approximately 350,000 tons of Cuban raw sugar. There remains only about 35,000 tons of such sugars in bonded warehouses in this country, an amount inadequate for the proper protection of the buyer and seller of our contract, particularly as there are no further such sugars obtainable under present Cuban rulings.

Your Department ruled in the latter part of July to the effect that Cuba's 1934 quota would be calculated on a duty-paid basis; that is, only when and as duty was paid.

On this basis of calculation, Cuba may ship to the United States about 360,000 long tons of raw sugar in addition to some 130,000 long tons already sold to refiners. Cuba, therefore, issued a further decree which became effective about November 1, permitting the shipment of these 360,000 tons under certain terms and conditions. One of these conditions requires the payment by the importer of the duty. Another forbids the sale of the sugar prior to January 1 to anyone other than a refiner; a third condition limits the price at which such sales can be consummated at not less than the equivalent of 2.18½ cost and freight; and a fourth condition prohibits shipment of any further sugar from Cuba to the United States prior to March 1, 1935.

The necessity of payment of the duty makes this sugar unavailable for delivery on our present active contract. The restriction of sale to refiners only, is serious discrimination. These two conditions together with the embargo on shipments from Cuba until March 1, 1935, make it impossible to supplement an



already woefully inadequate supply of in-bond Cuban raw sugar and leaves unprotected hedge sale contracts on our exchange with the result that the exchange market may cease to function as a hedging medium for producers.

We propose, therefore, that a special ruling in connection with these 360,000 tons be made. With the arrival of these 360,000 tons, Cuba will have filled her quota on the basis of your present method of calculating the quota for Cuban raw sugars.

These 360,000 tons of raw sugar, if permitted to be held in bond and still be counted as a part of Cuba's 1934 quota, will reestablish the foundation upon which our contract is based. Our market will then continue to function in an orderly manner and abnormal conditions will be obviated.

The New York Coffee & Sugar Exchange has played a very important part in the sugar industry for many years. The financial credit of the industry, in unquestionably many instances, is provided because of the facilities of the exchange. It is our studied opinion that the sugar industry faces a critical period directly ahead and therefore needs the exchange more than ever. The officials of this exchange firmly believe that they have authority under its bylaws and rules to take care of the December position but, unless these 360,000 tons are permitted to enter on an in-bond basis, the situation beyond December, until such time as Cuba permits unrestricted shipments of raw sugar, is fraught with such danger as to raise grave fears as to our ability to control the situation and still maintain an effective trading medium.

May I express appreciation for the courteous reception accorded Mr. L. E. Jager during his recent visit to your office and assure you of our continued desire to serve for the best interests of the industry.

Sincerely yours,

WM. H. ENGLISH, JR., *President.*

After careful consideration of the question by officials of the Agricultural Adjustment Administration, the following announcement was made on November 16, 1934:

The Agricultural Adjustment Administration announced today that Cuban and other foreign sugars remaining in bonded warehouses in the United States on December 31, 1934, may be counted as part of the 1934 quota even if payment of duty has not been made by that date, provided the 1934 quotas for countries of origin of such sugars have not been exhausted at that time by admission of duty-paid sugars.

Importers of such sugars will be required to advise the sugar section of the Agricultural Adjustment Administration before the end of the year of their intention to keep such sugars in bonded warehouses until after December 31, 1934, and of their desire that such sugars be charged against the 1934 quota.

It was pointed out that this ruling would not increase the amount of foreign sugars available for the United States market in 1934. This amount is restricted to the quotas established by the Secretary of Agriculture.

It should be noted in passing that prior to the end of the year the entire Cuban sugar quota was released upon actual payment of duty and the foregoing year-end modification of the prior administrative procedure was not made use of.

Other rulings and orders issued in connection with the merchandising of the 1934 Cuban sugar quota in the United States are herewith appended, covering disposal of damaged sugars, substitution of sugars, handling of "drawback" sugars and other technical questions arising in application of various provisions of the Jones-Costigan Act.<sup>3</sup>

(c) The names of all so-called "long" and "short" traders in December sugar futures on the New York Coffee and Sugar Exchange if available

The Department of Agriculture and the Agricultural Adjustment Administration have no authority to obtain the type of information requested in the above-quoted clause of the Senate resolution.

<sup>3</sup> Exhibit 1, pp. 24-35

There is, however, submitted herewith the names of the clearing members of the New York Coffee and Sugar Exchange and their customers together with the extent of their positions at the close of business on December 24, 1934, as reported to the exchange by its members. This information was submitted to the Secretary of Agriculture by the exchange pursuant to his request under cover of a letter from the president of the exchange, dated February 9, 1935, copy of which is attached.

[Enclosure No. 3]

NEW YORK COFFEE AND SUGAR EXCHANGE, INC.,  
*New York, February 9, 1935.*

HON. HENRY A. WALLACE,  
*Secretary of Agriculture,*  
*Washington, D. C.*

DEAR SIR: I acknowledge receipt of your letter of February 6, 1935, addressed to Mr. Wm. H. English, Jr., president. The office of president is now held by Mr. C. A. Mackey, following the annual election held January 17, 1935.

Replying to question (c) of Senate Resolution No. 41, I enclose herewith the names of the clearing members and their customers, together with the extent of their position at the close of business on December 24, 1934, the last day for the issuing of notices, as reported to the exchange.

Replying to question (d) of Senate Resolution No. 41, I give you below the names of the board of managers of the exchange holding office during December 1934:

Wm. H. English, Jr., president; C. A. Mackey, vice president; E. B. Wilson, treasurer; Harold L. Bache, Wm. G. Daub, F. G. Henderson, F. R. Horne, Jerome Lewine, E. L. Lueder, P. R. Nelson, W. W. Pinney, C. C. Riggs, M. E. Rionda, A. M. Walbridge, and W. J. Wessels.

At the present time, the officers and board of managers are as follows:

C. A. Mackey, president; E. B. Wilson, vice president; W. W. Pinney, treasurer; Harold L. Bache, Wm. G. Daub, F. G. Henderson, F. R. Horne, Jerome Lewine, E. L. Lueder, P. R. Nelson, M. E. Rionda, F. C. Russell, Bernhard K. Schaefer, A. M. Walbridge, and W. J. Wessels.

Very truly yours,

C. A. MACKEY, *President.*

## SHORTS

| Clearing firms            | Net short position,<br>exclusive of trans-<br>ferable notices | Customer  | Transferable notices issued for account of--   | Total net posi-<br>tion  |
|---------------------------|---|---|--|--------------------------|
| Lehman Bros.....          | 3 short.....  | Hirsch, Lilienthal & Co. (1); Sulzbacher, Granger & Co. (2).  | -----  | 3 short.                 |
| Eastman, Dillon & Co..... | 1 short.....  | Fellsmere Sugar Corporation.....  | -----  | 1 short.                 |
| E. M. Richards & Co.....  | 60 short.....   | Ernst Adler (Cologne, Germany, through M. Robyns, Antwerp) (4); Handelsvereniging van Dudok De Wit & Co., account of undisclosed principal (6); account of M. Robyns (Antwerp) undisclosed principal (20).  | -----  | 60 short.                |
| Frank C. Lowry & Co.....  | 30 short.....   |   | -----  | 30 short.                |
| Hayden, Stone & Co.....   | 134 short.....  | Punta Alegre Sugar Sales Corporation.....   | -----  | 159 short.               |
| B. W. Dyer & Co.....      | 120 short (net).....  | 13 long: S. A. Ancienne Maison Lacauscade (2); Garcia Sugars Corporation (10); Maison A. Simpere (1). 133 short: S. A. Ancienne Maison Lacauscade (9); E. Bailey (10); Banque de Paris et des Pays Bas (2); F. J. Belcher (20); Maison Bodenheimer (2); J. N. Rosekrans (20); Maison A. Simpere (50); T. G. H. Stibbe (20). | Punta Alegre Sugar Sales Corporation (25)<br>B. W. Dyer <sup>1</sup> (111); Fellsmere Sugar Corporation (20); B. W. Dyer, Jr. (1); B. W. Dyer Sales Corporation (2); total, 134. | 159 short.<br>254 short. |
| Carl M. Loeb & Co.....    | 7 short <sup>2</sup> .....                                    |   | -----  | 7 short.                 |
| Total.....                | 355 short.....  |   | 159-----   | 514 short.               |

<sup>1</sup> Of which 1 was stopped by Cohen, Wachsmann & Wassill and 6 by Farr & Co., all 7 of which were delivered and settled on regular delivery date under such transferable notice, Dec. 27, 1934.

<sup>2</sup> Closed out by purchase from Farr & Co. on Dec. 27, 1934.

## LONGS

| Clearing firms                               | Net long position,<br>exclusive of trans-<br>ferable notices | Customer  | Transferable notices stopped for account of—   | Total net posi-<br>tion |
|--|--|---|--|-------------------------|
| J. Aron & Co.                                | 71 long (net)  | 72 long: Garcia Sugars Corporation (67); J. Aron & Co. trading account (9). 1 short: J. Aron & Co. special account no. 7.   | Garcia Sugars Corporation (28)   | 99 long.                |
| Abbott, Proctor & Paine<br>Farr & Co.        | 2 long<br>11 long  | Trucker, Anthony & Co.<br>Philip Rosenberg (3); Philip Rosenberg, H. F. Phair (1); E. L. Lueder (6); H. F. Phair (1). <sup>1</sup>  | H. F. Phair (1); Philip Rosenberg (1); E. L. Lueder (4). <sup>1</sup>  | 2 long.<br>17 long.     |
| Lamborn, Hutchings & Co.                     | 72 long  | Miguel Calvo (1); Lamborn & Co., Inc., for account of: Margaret Muendel (1); Dr. Edward Muendel (2); R. L. Lamborn (error account) (10); Rockwood & Co. (13); T. A. Howell (1); W. Yeaple (4); E. N. Baylor (8); Dr. J. H. Doyle (2); J. M. Fantauzzi (1); B. J. Forbes (5); S. P. Goble (5); Helen Greenwood (1); Edna B. Looker (14); Lovelace, Farmer & Co. (4). | Lamborn & Co., Inc., for account of: Refined Syrups, Inc. (15); Thomas Oxnard (10); Rockwood & Co. (9); Spreckels, Rosekrans Investment Co. (10); total, 44. | 116 long.               |
| Little & Christman                           | 84 long  | Benjamin Garcia (54); M. E. Haller (5); N. A. Haller (1); G. V. Christman (3); Laird & Co. (2); P. O. Vary (15); Taylor, Bates & Co. account C. R. Debevoise (4).   | Benjamin Garcia (26); M. E. Haller (2); G. V. Christman (1); P. O. Vary (4); Taylor Bates & Co., account C. R. Debevoise (1); total, 34.                     | 118 long.               |
| Lobo & Co.                                   | 95 long  | Galban, Lobo, S. A.   | Galban Lobo, S. A. (19)  | 114 long.               |
| Shields & Co.                                | 7 long (net)   | 8 long account F. B. Cahn & Co.; 1 short, account Abraham & Co.   |  | 7 long.                 |
| Slaughter, Horne & Co.<br>Thomson & McKinnon | 3 long<br>10 long  | Carlos Garcia.<br>Luis Mendoza & Co.  | Garcia Sugars Corporation (23); Luis Mendoza & Co. (2); E. G. Aleman (1); total, 26.   | 3 long.<br>36 long.     |
| Nortz & Co.<br>Cohen, Wadtsman & Wassall     |  |   | 1<br>1   | 1 long.<br>1 long.      |
| Total  | 355 long   |   | 159  | 514 long.               |

<sup>1</sup> Received from B. W. Dyer & Co. and settled on regular delivery date under such transferable notices, Dec. 27, 1934.<sup>2</sup> 7 contracts settled by sale to Carl M. Loeb & Co., Dec. 27, 1934.<sup>3</sup> Received from B. W. Dyer & Co. and settled on regular delivery date under such transferable notice, Dec. 27, 1934.



(d) The names of the members of the board of directors and of the managers of the New York Coffee and Sugar Exchange, and of the personnel of the Cuban Sugar Stabilization Institute

The names of the board of managers of the exchange holding office during December 1934 and the present officers and board of managers, as given by the president of the exchange in his letter to the Secretary of Agriculture, dated February 9, 1935, are:

Names of the board of managers of the exchange holding office during December 1934:

William H. English, Jr., president; C. A. Mackey, vice president; E. B. Wilson, treasurer; Harold L. Bache; William G. Daub; F. G. Henderson; F. R. Horne; Jerome Lewine; E. L. Lueder; P. R. Nelson; W. W. Pinney; C. C. Riggs; M. E. Rionda; A. M. Walbridge; and W. J. Wessels.

Officers and board of managers of the exchange at the present time:

C. A. Mackey, president; E. B. Wilson, vice president; W. W. Pinney, treasurer; Harold L. Bache; William G. Daub; F. G. Henderson; F. R. Horne; Jerome Lewine; E. L. Lueder; P. R. Nelson; M. E. Rionda; F. C. Russell; Bernhard K. Schaefer; A. M. Walbridge; and W. J. Wessels.

The personnel of the Cuban Sugar Stabilization Institute during the period when the Cuban sugar decrees were issued was as follows:

Marcelino Garcia Beltran, Jose Manuel Casanova y Divino, Jose Gomez Mena, Aurelio Portuondo y Barcelo and Jesus Azqueta, "hacendados"; and Edelberto Farres and Dr. Raimundo Rodriguez Lopez, "colonos". The officers were Marcelino Garcia Beltran, president; Jose Manuel Casanova and Jose Gomez Mena, vice presidents; Aurelio Portuondo, treasurer; Francisco Pala y Gonzalez, secretary; Manuel Rasco y Someillan, assistant treasurer. The counsel for the Institute were Dr. Arturo M. Manas y Parajon and Dr. Jose L. Garcia Baylles.

At the present time, the personnel of the Cuban Sugar Stabilization Institute is as follows:

The following five members represent mill owners' ("hacendados") interests in the Institute: Jose Gomez Mena, president; J. M. Casanova, vice president; Aurelio Portuondo, Jesus Azqueta, and Arturo M. Manas.

The following two represent sugar planters' ("colonos") interests: Edelberto Farres and Raimundo Rodriguez Lopez.

"(e) The names of any banks or other financial institutions in the United States known to the Department or the A. A. A. to have been connected with financing, or refusing to finance, the 1934 Cuban sugar crop"

The Department of Agriculture and the Agricultural Adjustment Administration have no information in response to the foregoing.

"(f) The effect, if any, of Cuban price decrees and of the so-called 'corner' in December futures upon the sugar price index in the United States"

A report on the course of sugar prices in response to the above-quoted clause of the resolution must include a review of several price series. The consumer is interested primarily in the retail price of sugar. The sugar-beet factory, which produces sugar directly from beets in one process, is interested in the seaboard quoted prices for refined cane sugar, upon which prices its net returns are based. The prices received by the beet factory are generally equal to the prices quoted by cane refineries at seaboard points, less the usual differential between cane and beet sugar, plus the lowest freight rate from seaboard points. The cane refiner is interested both in the price of raw sugar, which with duty included is the most important element in his costs, and in refined sugar quotations, which represent with certain differentials, the selling price for his product.

The beet growers are interested primarily in the net returns to the sugar-beet factories from the sale of refined sugar, upon which prices (under existing contracts between them and beet-sugar processors) their return per ton of beets sold to the processors is based. The farmers' contracts with the processors provide for a specific price per ton of beets of a certain degree of sucrose content when the net return for sugar is at a given level and for differentials above and below such price when the sucrose content differs and when changes occur in the net return to the factory from the sale of refined sugar.

Continental cane growers on the other hand are interested in the price of raw sugars, generally quoted as duty paid at New York. Under existing contracts or long-established practice in the industry, the price paid per ton of cane varies both with the sucrose content of the cane and with the price of raw sugar.

In the following section of this report the effect of each of the Cuban price decrees and of the so-called "corner" upon the different price indices in the United States will be considered.

#### CUBAN PRICE DECREES <sup>4</sup>

*Decree Law No. 456.*—On August 31, 1934, Cuba passed a law regulating sugar exports to the United States. This law, known as "Decree Law No. 456", was published in the Cuban Official Gazette of September 1 and became effective on that date. The significant provisions of this decree were as follows:

1. Export of sugar to the United States was prohibited unless such sugar, if sold for shipment within 60 days, was sold at a minimum cost and freight price to be announced by the Cuban Sugar Institute. The price of Cuban sugar, cost and freight, to be announced by the institute was to be equal to the prior average sales price of 20,000 tons of duty-free sugars in the United States less 90 points, representing the then newly established import duty on Cuba.

2. Monthly quotas for shipment to the United States were to be established by the Cuban Institute and to be divided proportionately among all holders of sugar.

3. A committee to grant export permits for sugar from Cuba was created to carry out all provisions of the decree.

4. It was required that all sales of sugar must be reported to the committee within 2 working days after consummation.<sup>5</sup>

On September 4 the committee on permits, which was established under the decree, fixed the minimum price for Cuban sugar at 2.29636 cents, cost and freight, which price was based on the average sales price of duty-free sugars in spot positions sold during the month of August.

A number of sales were publicly reported at the official price in the first week after the minimum price was fixed, as follows:

| Date              | Quantity    | Price        |
|-------------------|-------------|--------------|
|                   | <i>Tons</i> | <i>Cents</i> |
| September 7.....  | 11,000      | 2.30         |
| September 8.....  | 2,500       | 2.30         |
|                   | 5,000       | 2.30         |
| September 12..... | 2,500       | 2.30         |
|                   | 6,167       | 2.30         |

<sup>4</sup> Important Cuban sugar decrees of 1934 are given below in exhibit 3.

<sup>5</sup> The decree also contained certain provisions applying its terms to sales made prior to its promulgation which were subsequently rescinded by Decree Law No. 466 of Sept. 7, published in the Cuban Official Gazette of Sept. 8, and Decree No. 2373 of Sept. 12, published in the Official Gazette of Sept. 13.



In reference to the foregoing sales of Cuban raw sugar, which were apparently in accordance with the terms of the decree, Willett & Gray's Sugar Trade Journal said in the issue of September 20:

The Export Corporation has reported sales of Cubas at the minimum price of 2.29636 cents, cost and freight, but the recent sales have been made by subsidiary companies of some refiners to those refiners that control such subsidiaries, hence the market cannot be stated as being established at the minimum price.

It should be noted further that refiners were purchasing Cuban raw sugars out of stocks warehoused in the United States, during September, and that such stored sugars were sold at prices considerably below those reported in the transactions listed above. It will be recalled that prior to September 1, 1934, in anticipation of the then pending tariff reduction on Cuban sugar, large stocks of foreign sugars had accumulated in bonded warehouses (practically all Cuban sugars). Refiners, therefore, were not obliged to rely upon purchases of sugars from Cuba under the terms of the Cuban decree during the month of September, but had recourse to the sugars in bonded warehouses. The following sales out of store were reported during September:

| September— | Quantity    | Price,<br>cost and<br>freight | September— | Quantity    | Price,<br>cost and<br>freight |
|------------|-------------|-------------------------------|------------|-------------|-------------------------------|
|            | <i>Tons</i> | <i>Cents</i>                  |            | <i>Tons</i> | <i>Cents</i>                  |
| 4-----     | 500         | 1.96                          | 21-----    | 5,000       | 2.00                          |
| 6-----     | 1,700       | 1.96                          | 25-----    | 20,000      | 2.00                          |
| 7-----     | 2,700       | 1.96                          | 26-----    | 2,000       | 2.02                          |
| 8-----     | 4,500       | 1.97                          | 28-----    | 4,500       | 2.05                          |
| 19-----    | 5,000       | 1.96                          | 28-----    | 3,500       | 2.07                          |

It is apparent from the foregoing that during September Decree Law 456 did not raise the price of raw sugar, cost and freight basis, to the official level. The small increase in the price of raws during the month from 1.96 cents per pound to 2.07 cents per pound may, however, be attributed in large measure to the decree.

No transactions were reported during the month of September in duty-free sugars and there was no change in the price of refined sugar or in the retail price of sugar.

The extent to which the issuance of the decree prevented a decline in price which might otherwise have taken place is a separate question which is considered below.

On October 2, Decree 2571 was issued and on October 4 published in the Cuban Official Gazette, authorizing the institute to sell sugar to United States refiners below the quotation previously fixed by the committee on permits. On October 4, the Cuban Institute sold American refiners 130,000 tons for October–November shipment at 2.185 cents, cost and freight. This sale was accompanied by a guaranty of the Cuban Sugar Institute that if Cuba sold any additional sugars below this price, the price of all sugars sold under the October 4 transaction would be reduced accordingly. On October 15 the committee officially reduced the minimum price to 2.185 cents, cost and freight.

The effect of this decree, which brought a reduction of 0.11 cent in the official Cuban price, on raw sugar prices was to reduce them by

something more than 0.11 cent, as the following reported sales out of store in the United States show:

Oct. 2. 4,000 tons at 3.00 cents duty paid, equivalent to 2.10 cost and freight.  
Oct. 16. 25,000 bags at 2.91 cents duty paid, equivalent to 2.01 cost and freight.  
Oct. 23, 29,500 bags at 2.85 cents duty paid, equivalent to 1.95 cost and freight.

During the latter part of October there were sales of Philippine sugars for use in 1935 at between 2.55 and 2.80, duty paid, equivalent to 1.65 and 1.90 cost and freight, respectively. These price quotations, it will be noted, were considerably below the price level for Cuban sugars ex store.

The only reported sale of duty-free sugars in October for consumption in 1934 was a sale of 25,000 tons of Louisiana sugars on October 4 at 3.085 cents, which was on a parity with the official minimum Cuban price of 2.185 cents. It is noteworthy that, except for this sale, the current market quotations of raw sugar all ranged far below the Cuban official price.

The list price of refined sugar decreased slightly on October 1 from 4.655 cents net cash to 4.557 cents, at which level it remained during the month. There was no change during the month of October in the retail price of sugar.

The market record as above outlined indicates that Decree 2571 was practically without effect in bringing the Cuban official price and the various price indexes of sugar in line with each other.

On October 30 Cuba passed Decree Law 644 authorizing shipments to the United States provided that shippers agreed:

1. That the sugars to be shipped would be stored in the United States and duty paid before January 1, 1935;

2. That before January 1, 1935, such sugars would be sold only to refiners for melting and at a price not below the quotation fixed by the committee on permits for the day of the sale;

3. That after January 1, 1935, owners of sugar, exported to the United States under this decree, would have the right to dispose of such sugars without restrictions;

4. Sugars exported to the United States under this decree and remaining unsold on January 1, 1935, were to have preference over any other Cuban sugars available from Cuba between January 1 and February 28, 1935; and

5. No sugars were to be exported to the United States from Cuba before March 1, 1935, unless the supply stored in the United States in accordance with the Decree 644 had been sold up to an amount representing at least 80 percent of such sugars.

On November 9 Decree 2936 was issued, containing the regulations applying to shipments to be made under Decree Law 644. The most important feature of this decree was the provision that sugars exported under its terms had to be consigned to the central selling agency in Cuba, or covered by a bank guaranty that such sugar would not be sold at a price which would adversely affect the guaranty previously given by the institute on its sale of 130,000 tons.

The requirement that the duty was to be paid before January 1, 1935, was intended to insure the admission of such sugars under the quota for 1934 established by the Secretary of Agriculture under the Jones-Costigan Act.<sup>6</sup>

<sup>6</sup> This Agricultural Adjustment Administration procedure in reference to admission of year-end Cuban sugars was modified by the Agricultural Adjustment Administration, as explained above, and Decree 3028 was issued on November 22 relieving holders of Cuban sugar from the obligation to pay duty; provided, however, that such owners of sugar complied with all rules and regulations of the United States Agricultural Adjustment Administration in order to make certain that the sugars would be counted as part of the 1934 quota.



The requirement that at least 80 percent of the Cuban sugars, brought into the United States under these decrees, must be sold prior to the shipment of any other Cuban sugars between January 1 and February 28, supplemented certain measures for the sugar industry developed by the Agricultural Adjustment Administration for the purpose of removing seasonal pressure of supplies in the latter part of the year.<sup>7</sup>

The effect of the requirement that sugars should not be sold at a price below the quotation fixed by the committee on permits, in the light of the price guaranty given by the Cuban producers on the prior sale of 130,000 tons, was the establishment of a minimum price of 2.185 cents per pound, cost and freight, for the rest of the year.

A general strengthening effect upon sugar prices in the United States might have been anticipated as a result of Decree Law 644 and Decree 2936 and the various measures adopted by the Agricultural Adjustment Administration.

The sales of Cuban sugar ex store in the early part of November revealed a slight upward tendency as the following reported sales show:

Nov. 7. 3,000 tons at 2.86 duty paid, equivalent to 1.96 cost and freight.

Week ended Nov. 15. 11,000 tons at 2.86 duty paid, equivalent to 1.96 cost and freight.

Nov. 16. 10,000 bags at 2.92 duty paid, equivalent to 2.02 cost and freight.

Nov. 19. 850 tons at 3.00 duty paid, equivalent to 2.00 cost and freight.

In contrast to these prices, the world price, as reflected on the London market, continued to sag during November, dropping from 0.87 cent per pound to 0.84 cent per pound on November 16. The gold equivalent of this quotation constituted an all-time record low price on the world market. Weakness appeared in the United States market as well, in the price of raw sugars other than Cuban. On November 5 and 7, for example, a few lots of Philippine ex-quota sugar sold for 1935 delivery at the low price of 2.58 duty paid, equivalent to 1.68 cost and freight.

Although the cost and freight price in the United States increased somewhat between the 1st and 20th of November and duty-paid quotations increased accordingly, the price of refined sugar was reduced from 4.557 cents per pound to 4.410 cents per pound on November 14. The retail price decreased slightly from 5.7 cents per pound to 5.6 cents per pound on November 16 and remained at that level for the rest of the month. In the face of a rising cost and freight price, these declines cannot be attributed to the decrees or operations under such decrees. The explanation of these declines must be found in other market factors.

No other decrees were issued in Cuba during the rest of the year 1934 which are pertinent to this inquiry. There remains for consideration an important market factor of the year end.

In the latter part of November, Cuban sugar producers, in an effort to avoid the expense of storing sugars in the United States until January 1, 1935, negotiated with the refiners, to whom they had sold 130,000 tons on October 4 and obtained a waiver of their guaranty insofar

<sup>7</sup> It will be recalled that because the act was passed in May, by which time most of the crop in the insular areas had been completed, a considerable stock of overquota Philippine sugars resulted. A marketing agreement was worked out by the Agricultural Adjustment Administration with the Philippine sugar producers supplemented by legislation in the Philippine Islands under which Philippine sugar producers agreed not to ship any new crop sugars prior to January 1, 1935.

as it applied to sales for melting sugars after January 1, 1935. Refiners granted this request on November 20 and thereafter Cuban holders of sugar began to sell sugars for January melt at prices lower than the official price of 2.1875 established for 1934.

Beginning with November 22, sales were reported to refiners for December use at 2.185 cents per pound and for January use at between 1.60 and 1.75 cents cost and freight. With the new year so close at hand the distinction between sales for 1934 use and sales for 1935 use was a nominal one. The actual market price for sugar during the last week of November and the first week of December was in effect reduced to an average of the December minimum official price and the lower prices established for January use. During most of December the price of January-melt sugar predominated.

The refiners' list price for refined declined from 4.410 in the latter half of November and the first part of December to 4.214 cents at the end of the year. The average retail price declined from 5.6 to 5.5 at the end of the year.

The year-end price declines, in the light of the foregoing facts, cannot be attributed to the Cuban decrees. The available facts lead to the conclusion, rather, that the abandonment of the Cuban price guaranty for January 1935 sales, and the consummation of sales in the latter part of November and throughout December for January delivery at a price below the official price for 1934 were in part the cause of a declining index in the United States.

It is of importance to observe that the first noticeable effect of the Cuban marketing policy in the last 4 months of the year was a decline in price as a result of the easing of the minimum-price policy. Confirmation in some degree is thereby afforded of the view that, without the policy of establishment of minimum price under the decrees issued in the period September-December 1934, the price indices in the United States would have declined sooner and more precipitously than they actually did.

It must be concluded, therefore, that the Cuban decrees, if they had any effect on the price indices, merely tended to prevent an earlier decline and a more rapid decline than actually took place. The fundamental market conditions which supplied the basis for such price decline have been dealt with elsewhere in this report.

#### EFFECT OF THE SO-CALLED "CORNER" IN DECEMBER FUTURES ON THE PRICE INDEX

A "corner" has been defined as "the state of things produced by a combination of persons, who buy up the whole or the available part of any stocks or species of property, which compel those who need such stock or property to buy of them at their own price."

It is obvious that there was no "corner" in the sense of control by a "combination of persons" of the supply of actual sugars in the United States by any individual or group of individuals which caused a rise in price to consumers, since the price of raw and refined sugar declined during the last 3 months of the year. There was no interruption during the last 3 months in the declining trend of refined-sugar prices and prices at retail. The interruptions in the declining tendency of raw-sugar prices were few.

As to the quotations for future contracts on the New York Coffee and Sugar Exchange for December 1934, they at no time reached the



official minimum price level of 2.185 cents per pound established by the Cuban Sugar Institute for actual sugars during the last 3 months of the year, and from September 4 to December 6 were well below the price of actual sugar in the spot position.

Between December 1 and December 15, when trading in December futures was terminated, the price of such contracts increased somewhat and went above the then rapidly declining spot price. The effect of the so-called "corner" upon the price of sugar futures was, therefore, practically negligible.

(g) Any other available information bearing upon additional legislation that may be needed to safeguard the objective of the Jones-Costigan Act or to control commodity dealings on the New York Coffee and Sugar Exchange

It is believed that most of the pertinent information bearing on clause (g) of the resolution has been submitted in response to the points raised in other clauses of the resolution.

In determining whether additional legislation may be needed, the Senate will no doubt be aided by a statement of the position of the Department under existing legislation during the market developments which led to the so-called "corner" of December 1934.

Through conversations between officials of the Agricultural Adjustment Administration and officials of the New York Coffee and Sugar Exchange, as well as by communications received from sugar brokers in New York during the latter part of the year, the Department was advised from time to time of the possibility that trading in December futures might be hampered through lack of Cuban raw sugars in bond in the United States to deliver against December contracts, under the marketing conditions brought about by the quota provisions of the Jones-Costigan Act and the Cuban decrees.

On December 10, 1934, representatives of the refiners, the Sugar Exchange, and the Cuban Sugar Institute were called to Washington to confer with representatives of the Department. At that conference the trade representatives discussed the problem and agreed that if certain contracts between the sugar refiners and the Cuban Sugar Institute were modified to permit the delivery of newly shipped Cuban sugar on December contracts, the tight position in those contracts could be eliminated. There followed an exchange of letters, copies of which are herewith appended, between the refiners and the president of the Sugar Exchange in further reference to this matter, but no definite action resulted.

It was the policy of the Department to keep itself informed in order to make certain that the interests of consumers and producers were not being prejudiced by the course of developments on the exchange. It did not, however, believe that it was within the scope of the Department to take action in a matter primarily involving the price at which "longs" or "shorts" should settle their obligations under existing contracts. The emergency situation, if it could be so designated, in December futures on the exchange consisted of the probability that sellers of exchange contracts for December delivery would not be able to obtain the actual raw sugar out of bonded warehouses required to make delivery against their contracts. It was, therefore, necessary for the exchange to take such action under its bylaws as would make deliveries of other than Cuban raw sugar then in bond valid against December contracts, or to take whatever action was called for under the rules of the exchange to determine

the obligation of the seller to the buyer under contracts entered into voluntarily by interested parties, if such parties were unable to agree among themselves.

It should be added that in the opinion of the Agricultural Adjustment Administration it would have been possible for the officials of the exchange to have remedied the tight position that developed in December, assuming that it was desirable or necessary to remedy the situation, by taking measures to insure the complete interchangeability of sugar deliverable against December futures contracts and actual raw sugars of commerce. Thus, for example, a ruling was possible to the effect that sugar available on the date of settlement complied with all of the specifications of the no. 1 sugar contract even though such sugar was not available for processing until after January 1. The fairness of such a decision made on or about December 10 is obvious when it is considered that only 3 more weeks would have elapsed between the date of sale and the date of melting, which period is well within the normal lag between the two. Again, on December 19, when 30 notices of intention to deliver sugar were stopped under protest on the basis that since the Agricultural Adjustment Administration had announced that the quota for Cuban sugar was exhausted, the sugar was not deliverable in the United States, a ruling could have been made by the exchange that such sugar complied with the requirements of the no. 1 sugar contract.

In citing the foregoing illustration of possible remedial action that might have been taken by the exchange, no opinion is expressed as to the desirability of or necessity for such action. It is the purpose of the New York Coffee & Sugar Exchange to provide a market for certain types of commercial transactions. It was entirely within the province of the board of managers of the exchange to determine what action was required to preserve the usefulness of the exchange, as a market for trading in sugar futures. The foregoing illustrations have been cited to show that remedial action was possible.

#### THE POSSIBLE NECESSITY FOR ADDITIONAL LEGISLATION

The question may be raised, however, whether it is not possible for a situation to arise in the future as a result of exchange operations in the sugar market which would prejudice consumers or producers and which, under existing legislation, could not be dealt with adequately by the board of managers of the exchange or by the Agricultural Adjustment Administration.

It is to be recognized that excessive speculation and manipulation may develop in the sugar futures market as it may in other markets, and may result in profits to some individuals and proportionate losses to others. Regulation of the Sugar Exchange, as part of the general policy of the Congress of the United States with respect to security and commodity exchanges, may be deemed to be desirable in order to protect the interests of individuals dealing in sugar futures. In this connection it is to be noted that the comprehensive adjustment of sugar supplies to requirements contemplated under the Jones-Costigan Act primarily in the interests of producers may be utilized as a basis for speculative operations. The Department of Agriculture does not deem this phase of the problem to be within the scope of this report.



So far as the interests of consumers and producers of sugar are concerned, which are the primary objects of official concern of this Department, it is believed that adequate elements of protection are afforded by the Jones-Costigan Act.

*Protection to consumers.*—Section 8a (2) (A), (B), and (C) of the Jones-Costigan Act directs the Secretary of Agriculture to determine the consumption requirements of sugar for the continental United States each year during the life of the act. Quotas for the various sugar-producing areas are then established on the basis of such consumption estimate. The initial consumption estimate may be adjusted by the Secretary to effectuate the declared policy and the purposes of the act to meet the actual requirements of the consumers.

If, therefore, in response to speculative excesses on the New York Coffee & Sugar Exchange, the spot market should advance sufficiently to prejudice the interests of consumers, it is believed that the consumption estimate could be raised and larger quotas established to meet consumers' needs. In fact, it seems reasonable that the mere existence of this power under the act will serve as a deterrent to any excessive speculation or rise in prices on the exchange. It should be noted furthermore that the Secretary is not required to establish quotas. Section 8a (1) of the act, which precedes the quota provisions of the act reads:

Having due regard to the welfare of domestic producers and to the protection of domestic consumers and to a just relation between the prices received by domestic producers and the prices paid by domestic consumers, the Secretary of Agriculture may, in order to effectuate the declared policy of this act, from time to time, by orders or regulations—

Speculative excesses could be quickly terminated by announcement of the Secretary of Agriculture that all quota restrictions were to be abandoned. The possibility that the Secretary of Agriculture may find it desirable to remove all control through quotas, which would bring surplus sugars into the United States from other parts of the world, would, it is believed, preclude any price advance detrimental to the welfare of consumers.

*Protection to producers.*—Protection to producers is required only in the sense of prevention of price declines. Since the Jones-Costigan Act contemplates a readjustment of production to balance consumption, it is not believed that speculators would risk "short" selling on the exchange in a volume which is likely to depress the price of sugar. It will be noted from Exhibit 7 that in recent years trading on the exchange has greatly declined.

*Additional pertinent information.*—There are submitted: (1) Tables showing the daily spot price of sugar in each month during 1934 and the prices on the exchange for sugar futures both for the spot month and the month nearest to the spot month; (2) a table showing the quantity of sugar dealt with on the exchange, month by month, for the years 1924–34; and (3) copy of the new contract, trading in which commenced on January 2, 1935, which permits trading in duty-free sugars as well as duty-paying sugars.

There is also attached Exhibit 9, an abstract from Facts About Sugar, dated September 6, 1924, describing a similar so-called "squeeze" at a time when there was no legislation, either in the United States or in Cuba, affecting the sugar market.

## EXHIBIT 1

ORDERS, REGULATIONS, AND RULINGS ISSUED IN CONNECTION WITH  
THE MERCHANDISING OF THE 1934 SUGARSUNITED STATES DEPARTMENT OF AGRICULTURE, AGRICULTURAL ADJUSTMENT  
ADMINISTRATIONGENERAL SUGAR QUOTA REGULATIONS, SERIES 2, RELATING TO CONSUMPTION  
REQUIREMENTS AND QUOTAS ISSUED JANUARY 8, 1935(Order made by the Secretary of Agriculture under the Agricultural Adjustment  
Act)UNITED STATES DEPARTMENT OF AGRICULTURE,  
OFFICE OF THE SECRETARY.

By virtue of the authority vested in the Secretary of Agriculture by the Agricultural Adjustment Act, approved May 12, 1933, as amended, I, H. A. WALLACE, Secretary of Agriculture, having due regard to the welfare of domestic producers, and to the protection of domestic consumers and to a just relation between the prices received by domestic producers and the prices paid by domestic consumers, in order to effectuate the declared policy of the said Act, do hereby make, issue, publish, and give public notice of this Order with the force and effect of law to be in force and effect until amended or superseded by orders or regulations hereafter made by the Secretary of Agriculture.

## I

1. It is hereby determined and prescribed that the consumption requirements of sugar for continental United States for the calendar year of 1935 are 6,359,261 short tons of sugar, raw value. This determination has been made from available statistics of the Department of Agriculture pursuant to section 8a (2) (A) of said Act.

## II

1. It is hereby determined that for the purpose of establishing quotas for the following sugar producing areas, the most representative three years in the years 1925-1933, determined pursuant to section 8a (1) (A) of said Act, were respectively:

| Area:                    | Years               |
|--------------------------|---------------------|
| Cuba.....                | 1931, 1932 and 1933 |
| Philippine Islands.....  | 1931, 1932 and 1933 |
| Puerto Rico.....         | 1931, 1932 and 1933 |
| Territory of Hawaii..... | 1930, 1931 and 1932 |
| Virgin Islands.....      | 1926, 1930 and 1933 |

## III

1. It is hereby determined that the respective average quantities of sugar from Cuba, Philippine Islands, Puerto Rico, the Territory of Hawaii, and the Virgin Islands, brought into or imported into continental United States for consumption, or which was actually consumed therein, during the aforesaid most representative three years for each said area, respectively, are as follows:

| Area:                    | Average quantity in terms of short tons, raw value |
|--------------------------|--|
| Cuba.....                | 1, 934, 500  |
| Philippine Islands.....  | 1, 032, 667  |
| Puerto Rico.....         | 816, 667   |
| Territory of Hawaii..... | 932, 333   |
| Virgin Islands.....      | 5, 564   |
| Total.....               | 4, 721, 731  |

2. It is hereby determined that the average quantity of sugar from foreign countries other than Cuba brought into or imported into continental United States for consumption, or which was actually consumed therein, during the most representative three years in the years 1925-1933, is 17,333 short tons, raw value.



## IV

1. There is hereby allotted, pursuant to section 8a (1) (B) of said Act, to continental United States, for the calendar year 1935, out of the aforesaid consumption requirement of 6,359,261 short tons of sugar, raw value, the following quotas:

| Area:  | Quotas in terms<br>of short tons,<br>raw value |
|--|--|
| Continental United States Beet Sugar Producing Area..... | 1, 550, 000                                    |
| The States of Louisiana and Florida.....                 | 260, 000                                       |

2. Out of the amount remaining of the total estimated consumption requirements after the quotas established under paragraph 1 of this section, there is hereby allotted, for the calendar year 1935, pursuant to section 8a (1) (A) of said Act, to sugar producing areas other than continental United States the following quotas:

| Area                                   | "Average quantities" in terms of short tons, raw value | Adjustment in terms of short tons, raw value, by deducting from the respective "average quantities" an amount equal to 4.00507357 per centum of such average quantities | Quota in terms of short tons, raw value |
|--|--|---|---|
| Cuba.....                              | 1, 934, 500  | 77, 478. 15   | 1, 857, 021. 85                         |
| Philippines.....                       | 1, 032, 667  | 41, 359. 07   | 991, 307. 93                            |
| Puerto Rico.....                       | 816, 667   | 32, 708. 12   | 783, 958. 88                            |
| Territory of Hawaii.....               | 932, 333   | 37, 340. 62   | 894, 992. 38                            |
| Virgin Islands.....                    | 5, 564   | 222. 84   | 5, 341. 16                              |
| Foreign countries other than Cuba..... | 17, 333  | 694. 20   | 16, 638. 80                             |
| Total.....                             | 4, 739, 064  | 189, 803. 00  | 4, 549, 261. 00                         |

3. Out of the 16,638.8 short tons of sugar established as the quota for foreign countries other than Cuba there is hereby allotted for the calendar year 1935 to the countries named below the quantities which appear after their respective names:

| Country                 | Quota in pounds | Country                 | Quota in pounds |
|-------------------------|-----------------|-------------------------|-----------------|
| Argentina.....          | 9, 631          | Honduras.....           | 2, 268, 045     |
| Australia.....          | 135             | Hong Kong.....          | 137, 117        |
| Belgium.....            | 194, 462        | Italy.....              | 1, 157          |
| Brazil.....             | 791             | Japan.....              | 2, 649          |
| British Malaya.....     | 17              | Mexico.....             | 3, 985, 518     |
| Canada.....             | 372, 795        | Netherlands.....        | 143, 952        |
| China.....              | 53, 252         | Nicaragua.....          | 6, 753, 454     |
| Colombia.....           | 176             | Peru.....               | 7, 343, 561     |
| Costa Rica.....         | 13, 610         | Salvador.....           | 5, 423, 736     |
| Czechoslovakia.....     | 173, 975        | United Kingdom.....     | 231, 700        |
| Dominican Republic..... | 4, 406, 150     | Venezuela.....          | 191, 617        |
| Dutch East Indies.....  | 139, 670        | Total.....              | 32, 677, 600    |
| Dutch West Indies.....  | 4               | Reserve unallotted..... | 600, 000        |
| France.....             | 116             | Total.....              | 33, 277, 600    |
| Germany.....            | 77              |                         |                 |
| Guatemala.....          | 221, 283        |                         |                 |
| Haiti, Republic of..... | 608, 950        |                         |                 |

The difference between the 16,638.8 short tons of sugar, raw value, and the quotas allotted in this paragraph, to wit, 16,338.8 short tons of sugar, raw value, represents a reserve of three hundred (300) short tons of sugar, raw value, for further allotment to foreign countries other than Cuba.

4. No sugar from the Canal Zone, American Samoa, and the Island of Guam having been brought into or imported into continental United States for consumption, or actually consumed therein during the years 1925-33, it is hereby determined that such areas are not to receive any quotas for the calendar year 1935.

## V

1. It is hereby determined that the quotas allotted, pursuant to paragraph 2 of section IV hereof, to the sugar-producing areas listed below be further adjusted pursuant to section 8a (2) (E) of the act by deducting the following amounts:

| Area                     | Quotas in terms of short tons, raw value | Adjustments (deductions) under sec. 8a (2) (E) of act, in terms of short tons, raw value | Amount which may be brought into or imported into continental United States in terms of short tons, raw value |
|--------------------------|--|--|---|
| Philippines.....         | 991,308                                  | 72,956   | 918,352   |
| Puerto Rico.....         | 783,959                                  | 4,539  | 779,420   |
| Territory of Hawaii..... | 894,992                                  | 1,108  | 893,884   |

## VI

1. It is hereby determined: That of the years 1931, 1932, and 1933, that year for each of the following listed areas, respectively, during which the greatest quantity of direct-consumption sugar from each such area was brought into or imported into continental United States for consumption, or which was actually consumed therein, and the quantity of such sugar so brought into or imported into continental United States during such year, are for each such area as follows:

| Area                    | Year | Quantity in terms of short tons, raw value | Area                     | Year | Quantity in terms of short tons, raw value |
|-------------------------|------|--|--------------------------|------|--|
| Philippine Islands..... | 1933 | 79,661                                     | Territory of Hawaii..... | 1933 | 29,111                                     |
| Puerto Rico.....        | 1933 | 133,119                                    | Virgin Islands.....      |      | 0  |

2. That 22 percent of the quota established for Cuba for the calendar year 1935 as determined in section IV hereof, is 408,544.8 short tons, raw value.

3. That, pursuant to section 8a (1) (A) of said Act and to paragraphs 1 and 2 of this section, the quotas fixed, pursuant to section IV hereof, for the Philippine Islands, Cuba, the Territory of Hawaii, Puerto Rico, and the Virgin Islands, may be filled by shipments of direct-consumption sugar (as defined in the Act) not in excess of the following respective amounts for each said area:

| Area                     | Amount of direct-consumption sugar, in terms of short tons, raw value |
|--------------------------|---|
| Cuba.....                | 408,544.8   |
| Philippine Islands.....  | 79,661  |
| Puerto Rico.....         | 133,119   |
| Territory of Hawaii..... | 29,111  |
| Virgin Islands.....      | 0   |

## VII

1. For the calendar year 1935, processors, handlers of sugar, and others are hereby forbidden from importing into continental United States for consumption, or which shall be consumed therein and/or from transporting to, or receiving in, continental United States for consumption therein, and/or from processing in any area to which this Act is and/or has been made applicable for consumption

in continental United States, any sugar from any area listed below in excess of the following amount for each such area:

| Area                     | Total amount in terms of short tons, raw value, which may be imported into continental United States for consumption, or which shall be consumed therein, and/or transported to and/or be received in continental United States | Amount of direct-consumption sugar in terms of short tons, raw value, which may be included as part of the total amount which may be imported into continental United States for consumption, or which shall be consumed therein, and/or transported to and/or be received in continental United States |
|--------------------------|---|---|
| Cuba.....                | 1,857,022   | 408,544.8   |
| Philippines.....         | 918,352   | 79,661  |
| Puerto Rico.....         | 779,420   | 133,119   |
| Territory of Hawaii..... | 893,884   | 29,111  |
| Virgin Islands.....      | 5,341   | 0   |
| Canal Zone.....          | 0   | 0   |
| American Samoa.....      | 0   | 0   |
| Island of Guam.....      | 0   | 0   |

2. For the calendar year 1935, processors, handlers of sugar, and others are hereby forbidden from importing into continental United States for consumption, or which shall be consumed therein and/or from transporting to, or receiving in, continental United States for consumption therein and/or for processing in any area to which this Act is and/or has been made applicable for consumption in continental United States, any sugar from any area listed in paragraph 3 of section IV hereof, in excess of the respective amounts indicated for each such area in said paragraph 3 of section IV.

3. For the calendar year 1935, processors, handlers of sugar, and others are hereby forbidden from processing or marketing in continental United States any sugar imported into, transported to, or received in continental United States or processed outside of continental United States in violation of paragraphs 1 and 2 of this section.

4. For the calendar year 1935, processors, handlers of sugar, and others are hereby forbidden from marketing in, or in the current of, or in competition with, or so as to burden, obstruct, or in any way affect interstate and foreign commerce, sugar manufactured from sugar beets and/or sugarcane produced in the continental United States beet-sugar-producing area in excess of the quota of 1,550,000 short tons, raw value, fixed by paragraph 1 of section IV hereof, or sugar manufactured from sugarcane and/or sugar beets produced in the States of Louisiana and Florida, in excess of the quota of 260,000 short tons, raw value, fixed by paragraph 1 of section IV hereof.

### VIII

1. In translating any sugar into terms of raw value for purposes of quota measurements, there shall be used the formula and tables of conversion factors established in applicable Regulations, issued pursuant to the Act.

2. The term "sugar" as used in these regulations does not include edible molasses, sugar sirup, refiners' sirup, invert sirup, sirup of cane juice, and sugar mixtures, for use as such and not for the extraction of sugar.

3. The terms "edible molasses", "sugar sirup", "refiners' sirup", "invert sirup", "sirup of cane juice", and "sugar mixtures", as used in these regulations shall have the meanings assigned to them in the definitions established by applicable Regulations issued pursuant to the Act.

In testimony whereof, I, H. A. Wallace, Secretary of Agriculture, do hereby execute this order in duplicate and have hereunto set my hand and caused the official seal of the Department of Agriculture to be affixed in the District of Columbia, City of Washington, this 5th day of January, 1935.

H. A. WALLACE,  
Secretary of Agriculture.



[G. S. Q. R. Series 1, Supplement 1. Issued October, 1934]

UNITED STATES DEPARTMENT OF AGRICULTURE, AGRICULTURAL ADJUSTMENT  
ADMINISTRATIONDETERMINATION OF THE QUOTAS FOR FOREIGN COUNTRIES OTHER THAN CUBA  
(GENERAL SUGAR QUOTA REGULATIONS, SERIES 1, SUPPLEMENT 1)(Order made by the Secretary of Agriculture under the Agricultural Adjustment  
Act)UNITED STATES DEPARTMENT OF AGRICULTURE,  
OFFICE OF THE SECRETARY.

By virtue of the authority vested in the Secretary of Agriculture by the Agricultural Adjustment Act, approved May 12, 1933, as amended, I, M. L. WILSON, Acting Secretary of Agriculture, having due regard to the welfare of domestic producers and to the protection of domestic consumers and to a just relation between the prices received by domestic producers and the prices paid by domestic consumers, in order to effectuate the declared policy of the said Act, do make, issue, publish, and give public notice of these regulations (constituting a supplement to General Sugar Quota Regulations, Series 1), with the force and effect of law, to be in force and effect until amended or superseded by orders or regulations hereafter made by the Secretary of Agriculture.

I do hereby find that the transporting to, receiving, processing, or marketing in continental United States, for consumption therein, of sugar manufactured from sugarcane and/or sugar beets produced in foreign countries, other than Cuba, is in the current of, or in competition with, or affects interstate or foreign commerce, and that the marketing thereof in excess of seventeen thousand (17,000) short tons, raw value, would burden and obstruct such interstate or foreign commerce.

Out of the 17,000 short tons of sugar, raw value, fixed by me for foreign countries, other than Cuba, in General Sugar Quota Regulations, Series 1, there is hereby allotted, for the calendar year 1934, to the countries named below, the quantities which appear after their respective names. Deliveries or receipts heretofore made or had during the year 1934 shall be charged against these quotas. During the calendar year 1934, until my further order, all persons are forbidden from transporting to, receiving, processing, or marketing in continental United States, for consumption therein, sugar manufactured from sugarcane and/or sugar beets produced in the following foreign countries, other than Cuba, in excess of the quotas indicated opposite the respective countries:

| Country:              | Quota—1934<br>Pounds <sup>1</sup> | Country:               | Quota—1934<br>Pounds <sup>1</sup> |
|-----------------------|-----------------------------------|------------------------|-----------------------------------|
| Belgium.....          | 201, 141. 35                      | Brazil.....            | 817. 95                           |
| France.....           | 119. 70                           | Colombia.....          | 182. 34                           |
| Germany.....          | 79. 80                            | Ecuador.....           | -----                             |
| Hungary.....          | -----                             | British Guiana.....    | -----                             |
| Spain.....            | -----                             | Peru.....              | 7, 595, 795. 36                   |
| Sweden.....           | -----                             | Venezuela.....         | 198, 198. 50                      |
| Netherlands.....      | 148, 897. 11                      | British Malaya.....    | 17. 96                            |
| United Kingdom....    | 239, 657. 50                      | Ceylon.....            | -----                             |
| Canada.....           | 385, 599. 19                      | China.....             | 55, 080. 95                       |
| Costa Rica.....       | 14, 076. 82                       | Hongkong.....          | 141, 826. 77                      |
| Guatemala.....        | 228, 884. 42                      | Dutch East Indies..    | 144, 467. 77                      |
| Honduras.....         | 2, 345, 946. 70                   | Japan.....             | 2, 739. 75                        |
| Nicaragua.....        | 6, 985, 419. 88                   | Australia.....         | 139. 65                           |
| Panama.....           | -----                             | Other Portuguese       | -----                             |
| Salvador.....         | 5, 610, 027. 58                   | Africa.....            | -----                             |
| Mexico.....           | 4, 122, 412. 12                   | Algeria & Tunisia....  | -----                             |
| Barbados.....         | -----                             | Italy.....             | 1, 197. 01                        |
| Trinidad & Tobago..   | -----                             | Czechoslovakia.....    | 179, 950. 30                      |
| Dominican Repub-      | -----                             |                        |                                   |
| lic.....              | 4, 557, 491. 06                   | Total.....             | 33, 800, 000. 00                  |
| Dutch West Indies..   | 3. 99                             | Reserve unallotted.... | 200, 000. 00                      |
| Haiti, Republic of... | 629, 865. 97                      |                        |                                   |
| Argentina.....        | 9, 962. 50                        | Total.....             | 34, 000, 000. 00                  |

<sup>1</sup> In filling quota, fractions of a pound less than 0.50 should be disregarded; fractions over 0.50 may be considered a full pound.

The difference between the 17,000 short tons of sugar, raw value, and the quotas allotted, to wit, 16,900 short tons of sugar, raw value, represents a reserve of one hundred (100) short tons of sugar, raw value, for further allotment.

*In testimony whereof*, I have hereunto set my hand and caused the official seal of the Department of Agriculture to be affixed in the City of Washington this 9th day of October 1934.

M. L. WILSON,  
*Acting Secretary of Agriculture.*

[G. S. O. No. 1. Issued August 1934]

UNITED STATES DEPARTMENT OF AGRICULTURE, AGRICULTURAL ADJUSTMENT  
ADMINISTRATION

ENTRY OF SUGAR INTO CONTINENTAL UNITED STATES FOR RE-EXPORT (GENERAL  
SUGAR ORDER NO. 1)

(Order made by the Secretary of Agriculture under the Agricultural Adjustment  
Act)

UNITED STATES DEPARTMENT OF AGRICULTURE,  
OFFICE OF THE SECRETARY.

By virtue of the authority vested in the Secretary of Agriculture by the Agricultural Adjustment Act approved May 12, 1933, as amended, I, R. G. TUGWELL, Acting Secretary of Agriculture, in order to effectuate the declared policy of said Act, do make, issue, publish, and give public notice of this order with the force and effect of law until amended or superseded by regulations or orders hereafter made by the Secretary of Agriculture.

I do hereby order that any imported sugar with respect to which drawback of duty is allowed under the provisions of section 313 of the Tariff Act of 1930 which shall be brought into continental United States for the purpose of being refined, manufactured, or otherwise prepared for exportation from continental United States and which shall be exported from continental United States, and which may not be charged against the quota established by the Secretary of Agriculture for the country from which such sugar was imported, under the provisions of the Agricultural Adjustment Act, as amended, and any sugar brought into continental United States from any sugar-producing area outside of continental United States for the purpose of being refined, manufactured, or otherwise prepared for shipment from and not to be used for domestic consumption in continental United States, and which shall be shipped from and not used for domestic consumption in continental United States or which shall be redelivered into United States Customs Bureau custody and control, and which may not be charged against the quota established by the Secretary of Agriculture for the area from which such sugar was brought, under the provisions of the Agricultural Adjustment Act, as amended, shall, nevertheless, not be allowed to enter continental United States unless and until the importer, consignee, or owner of, or other person interested in, such sugar (such party or parties to be designated by the Secretary) shall furnish a bond at the time of entry with good and sufficient sureties, whereby the obligors thereon shall bind themselves to pay to the United States of America, as liquidated damages, three times the amount of the market value (as of the date of entry) of any part or all of such sugar which shall go into domestic consumption in continental United States and/or shall not be exported therefrom within six months from the date of entry, or within any lawful extension of time, or which, in the case of sugar released from United States Customs Bureau custody and control for the sole purpose of being refined and returned thereto, shall not be returned to United States Customs Bureau custody and control within one month from the date of release therefrom, such bond to contain further provisions whereby the obligors shall further bind themselves to pay to the United States of America all United States Customs Bureau expenses of supervision and control during the time such sugar is within continental United States under the authority of this order or of rulings made pursuant thereto: *Provided, however*, That if such sugar, or its equivalent, shall be delivered to such person or persons as the Secretary may designate, for inspection and identification prior to exportation, and if all of the said sugar shall be actually exported or destroyed within six months from the date of delivery, or within any lawful extension of time, or, in the case of sugar released from the United States Customs Bureau custody and control for the sole purpose of being refined and returned thereto, shall be returned to the



United States Customs Bureau custody and control within one month from the date of release therefrom, and if the said sugar so exported shall not be re-landed in the United States, and if proof thereof and all invoices, certificates, declarations, oaths, and other documents which may now or hereafter be required by law, regulations, and orders in connection with the entry thereof be furnished the said person or persons designated by the Secretary of Agriculture in the form and within the time prescribed, or any lawful extension thereof; or *Provided*, That should the Secretary at any time, by readjustment, reallocation, or otherwise, as provided by law, add to the quota of the particular area, or the allotment of the processor, handler, or other person involved, or include in any subsequent quota or allotment the sugar imported under the conditions of such bond, then the said obligation shall be void, but otherwise shall remain in full force and effect.

The United States Customs Bureau is authorized to require from any refiner, manufacturer, processor, handler, importer, consignee, owner, or other person interested in such sugar or in the importation, processing, or exportation thereof, such declarations, certificates, invoices, oaths, and other documents which may be necessary to carry out the provisions of this order or of rulings made pursuant thereto.

*In testimony whereof*, I have hereunto set my hand and caused the official seal of the Department of Agriculture to be affixed in the city of Washington, this 21st day of August 1934.

R. G. TUGWELL,  
*Acting Secretary of Agriculture.*

UNITED STATES DEPARTMENT OF AGRICULTURE, AGRICULTURAL ADJUSTMENT  
ADMINISTRATION

RULING OF THE SECRETARY OF AGRICULTURE IN CONNECTION WITH THE ENTRY OF  
SUGAR INTO THE CONTINENTAL UNITED STATES

*To processors, handlers of sugar, and others:*

The following ruling is hereby made, to be effective as of July 9, 1934, in connection with the entry of sugar into the continental United States for consumption therein:

After the Secretary of Agriculture has determined and certified that sugar, produced in any particular area outside of continental United States has, during any calendar year, been brought into continental United States for consumption therein in amounts totaling the amount of the quota fixed by the Secretary of Agriculture for that area for such calendar year, the Secretary of Agriculture may nevertheless authorize collectors of customs to permit sugar from such area to enter continental United States for consumption therein, if and when an equivalent amount of sugar theretofore entered as a part of the quota from the same producing area, is delivered to any collector of customs in the place and stead thereof and in substitution therefor, to be held in customs custody and control until thereafter authorized by the Secretary of Agriculture to be released therefrom: *Provided, however*, That no such authorization will be issued by the Secretary of Agriculture unless and until: (A) An application for such authorization has been filed with the Secretary of Agriculture setting forth the reason for requesting such substitution; (B) there shall first be shown to his satisfaction, by such proof as he may require, that the sugar tendered in substitution and the sugar sought to be entered (1) were produced in and brought from the same area, (2) have the equivalent weight translated into terms of pounds of sugar polarizing 96°, and (3) are owned or contracted for by the same person; (C) the owner of the sugar tendered in substitution shall agree in writing that such sugar shall be treated in the same manner and shall be subject to the same rules and regulations as the sugar for which it is tendered in substitution would have been treated and subjected if substitution therefor were not permitted; and (D) the owner of the sugar tendered in substitution shall agree in writing to be responsible for all storage charges and other expenses in connection with the retention of the substituted sugar in customs custody and that in the event such sugar is not withdrawn and all charges thereon paid within 1 year from the date of the assumption of customs custody, it shall become abandoned to the Government and may be sold for the Government account, subject to payment to the said owner of the surplus proceeds, if any, after the payment of all charges and other expenses.

M. L. WILSON,  
*Acting Secretary of Agriculture.*

[G. S. R., Series 1. Issued June 1934]

UNITED STATES DEPARTMENT OF AGRICULTURE, AGRICULTURAL ADJUSTMENT  
ADMINISTRATIONENTRY OF SUGAR INTO THE CONTINENTAL UNITED STATES (GENERAL SUGAR REGU-  
LATIONS, SERIES 1)(General sugar regulations made by the Secretary of Agriculture under the Agri-  
cultural Adjustment Act)UNITED STATES DEPARTMENT OF AGRICULTURE,  
OFFICE OF THE SECRETARY.

By virtue of the authority vested in the Secretary of Agriculture by the Agricultural Adjustment Act, approved May 12, 1933, as amended, I, H. A. WALLACE, Secretary of Agriculture, do make, prescribe, publish, and give public notice of these regulations with the force and effect of law, to be in force and effect until amended or superseded by regulations hereafter made by the Secretary of Agriculture.

(A) Processors, handlers of sugar, and others are hereby forbidden from importing or bringing into, transporting to, or receiving in continental United States sugar produced in any area outside of continental United States, except through customs ports of entry. The collectors of customs shall not permit any such sugar to enter continental United States unless, and until, there shall be furnished proof as to the following matters satisfactory to the collector of customs (an affidavit in duplicate subscribed and sworn to by the consignee, as to such matters may be accepted by the collector of customs as satisfactory proof thereof): (1) The area in which such sugar was produced, (2) the port from which said sugar was brought, (3) the names of the consignor, consignee, shipper, and owner, (4) the kind or type and identification marks of such sugar, (5) the purpose for which such sugar is brought into continental United States, to wit, whether such sugar is for consumption in or for export from continental United States, either in the state in which it is being imported or brought into continental United States, or after it has been further refined, improved in quality or further prepared for distribution or use, (6) the allotment, if any, under which such sugar is being imported or brought into continental United States, specifying in particular the amount of such allotment, the person to whom made, and the quantities of sugar previously imported or brought into continental United States thereunder, (7) the polarization and the weight of such sugar.

(B) Upon determination and certification by the Secretary of Agriculture that sugar, produced in any particular area outside of continental United States, has, during any calendar year, been brought into continental United States for consumption therein in amounts totaling the amount of the quota fixed by the Secretary of Agriculture for that area for such calendar year, collectors of customs shall permit no further sugar from such area to enter continental United States during such calendar year, except as authorized by the Secretary of Agriculture and in accordance with the terms and conditions of such authorization.

*In testimony whereof*, I have hereunto set my hand and caused the official seal of the Department of Agriculture to be affixed in the city of Washington this 15th day of June 1934.

H. A. WALLACE,  
*Secretary of Agriculture.*

Approved:

FRANKLIN D. ROOSEVELT,  
*The President of the United States.*

JUNE 16, 1934.

[R-22. G. S. Q. R. Series 1. Issued June 1934]

UNITED STATES DEPARTMENT OF AGRICULTURE, AGRICULTURAL ADJUSTMENT  
ADMINISTRATIONCONSUMPTION REQUIREMENTS AND QUOTAS, GENERAL SUGAR QUOTA REGULATIONS  
MADE BY THE SECRETARY OF AGRICULTURE UNDER THE AGRICULTURAL ADJUST-  
MENT ACT (GENERAL SUGAR QUOTA REGULATIONS, SERIES 1)UNITED STATES DEPARTMENT OF AGRICULTURE,  
OFFICE OF THE SECRETARY.

By virtue of the authority vested in the Secretary of Agriculture by the Agricultural Adjustment Act, approved May 12, 1933, as amended, I, R. G. TUGWELL,



Acting Secretary of Agriculture, having due regard to the welfare of domestic producers and to the protection of domestic consumers and to a just relation between the prices received by domestic producers and the prices paid by domestic consumers, and in order to effectuate the declared policy of the said Act, do make, prescribe, publish, and give public notice of these regulations with the force and effect of law, to be in force and effect until amended or superseded by regulations hereafter made by the Secretary of Agriculture.

## I

I do hereby determine and prescribe:

1. That the consumption requirements of sugar for continental United States for the calendar year 1934 are 6,476,000 short tons of sugar, raw value. This determination has been made from available statistics of the Department of Agriculture, pursuant to section 8a (2) (A) of said Act.

2. That, for the calendar year 1934, there shall be allotted to continental United States, in addition to the total of the quotas therefor established by section 8a (1) (B) of said Act, and apportioned to the respective areas for which such quotas have been so established upon the basis of the ratio which such quota for each of said areas bears to the total of such quotas, 7,200 short tons of sugar, raw value, being 30 percentum of the amount, in terms of raw value, by which the consumption requirements of sugar for continental United States as specified in paragraph 1 hereof exceed 6,452,000 short tons of sugar translated into terms of raw value.

3. That the quotas for United States beet-sugar area and the States of Louisiana and Florida are accordingly fixed, pursuant to paragraph 2 of these regulations, as follows:

| Area:  | <i>Quota in terms of short tons, raw value</i> |
|--|--|
| Continental United States beet-sugar-producing area..... | 1, 556, 166                                    |
| The States of Louisiana and Florida.....                 | 261, 634                                       |

4. That for purposes of establishing quotas for Cuba, the Philippine Islands, and Puerto Rico, pursuant to section 8a (1) (A) of said Act, based upon average quantities of sugar therefrom brought into or imported into continental United States for consumption, or which was actually consumed therein, the most representative 3 years in the years 1925-33 were 1931, 1932, and 1933.

5. That for purposes of establishing quotas for the Virgin Islands pursuant to section 8a (1) (A) of said Act, based upon average quantities of sugar therefrom brought into or imported into continental United States for consumption, or which was actually consumed therein, the most representative 3 years in the years 1925-33 were 1926, 1930, and 1933.

6. That for purposes of establishing quotas for the Territory of Hawaii, pursuant to section 8a (1) (A) of said Act, based upon average quantities of sugar therefrom brought into or imported into continental United States for consumption, or which was actually consumed therein, the most representative 3 years in the years 1925-33 were 1930, 1931, and 1932.

7. That the quotas to be fixed by the Secretary of Agriculture pursuant to section 8a (1) (A) of said Act, for Cuba, the Philippine Islands, Puerto Rico, the Territory of Hawaii, and the Virgin Islands for the calendar year 1934 shall be based on the respective average quantities of sugar therefrom brought into or imported into continental United States for consumption, or which was actually consumed therein, during the aforesaid respective 3-year periods.

8. That the respective average quantities of sugar from Cuba, the Philippine Islands, Puerto Rico, the Territory of Hawaii, and the Virgin Islands brought into or imported into continental United States for consumption, or which was actually consumed therein, during the aforesaid most representative 3 years for each said area, respectively, are as follows:

| Area:                    | <i>Short tons, raw values</i> |
|--------------------------|-------------------------------|
| Cuba.....                | 1, 934, 500                   |
| Philippine Islands.....  | 1, 032, 667                   |
| Puerto Rico.....         | 816, 667                      |
| Territory of Hawaii..... | 932, 333                      |
| Virgin Islands.....      | 5, 564                        |

9. That, pending a determination of the average quantities of sugar from foreign countries (other than Cuba) brought into or imported into continental United States for consumption, or which was actually consumed therein, during the most



representative respective 3 years in the years 1925-33, and the fixing of quotas therefor, there is hereby withheld 17,000 short tons of sugar, raw value, from the total amount presently available for quotas under section 8a (1) (A) of said Act. From said reserve of 17,000 short tons of sugar, raw value, so withheld, the Secretary of Agriculture may establish quotas for the aforesaid foreign countries pursuant to section 8a (1) (A) (i) of said Act. Any part of such reserve remaining after the establishment of such quotas shall be apportioned to the respective areas for which quotas have been or are to be fixed by the Secretary of Agriculture pursuant to section 8a (1) (A) of said Act.

10. That the remainder of the total estimated consumption requirements of sugar for continental United States, as specified in paragraph 1 hereof, after deducting therefrom the quotas for continental United States provided for by paragraph B of section 8a, subsection 1 of said Act, as 4,658,800 short tons, raw value, and after deducting from such remainder the reserve of 17,000 short tons, raw value, provided for in paragraph 9 of these regulations, the final remainder is 4,641,800, being computed as follows:

|   | <i>Short tons,<br/>raw value</i> |
|---|----------------------------------|
| a. Total estimated consumption requirements of sugar for continental United States as determined in paragraph 1 of these regulations.....   | 6, 476, 000                      |
| b. Quotas for continental United States provided for by paragraph B of section 8a:  |                                  |
| (1) Quota for sugar manufactured from sugar beets and/or sugarcane produced in the continental United States beet-sugar-producing area provided for by paragraph B of section 8a subsec. 1 of said Act..... | 1, 550, 000                      |
| (2) Quota for sugar manufactured from sugar beets and/or sugarcane produced in the States of Louisiana and Florida provided for by paragraph B of section 8a, subsection 1 of said Act.....                 | 260, 000                         |
| (3) Additional allotment to continental United States pursuant to section 8a (2) (B) of said Act as determined in paragraph 2 of these regulations.....   | 7, 200                           |
|   | 1, 817, 200                      |
| c. Reserve for quotas for foreign countries (other than Cuba) provided for in paragraph 9 of these regulations.....   | 17, 000                          |
|   | 1, 834, 200                      |
| Final remainder.....  | 4, 641, 800                      |

That the quotas for Cuba, the Philippine Islands, Territory of Hawaii, Puerto Rico, and the Virgin Islands be adjusted to the aforesaid final remainder by deducting, from the respective average quantities of sugar from said areas brought into or imported into continental United States for consumption, or which was actually consumed therein, during the aforesaid most representative 3 years for each said area, respectively, as determined by paragraph 8 of these regulations, 1.6928326 per centum thereof.

That the quotas for each of said areas is accordingly fixed, pursuant to section 8a (1) (A) of said Act, as follows:

| Area                     | Average quantities               | Adjustment                       | Quota                            |
|--------------------------|----------------------------------|----------------------------------|----------------------------------|
|                          | <i>Short tons,<br/>raw value</i> | <i>Short tons,<br/>raw value</i> | <i>Short tons,<br/>raw value</i> |
| Cuba.....                | 1, 934, 500                      | 32, 747. 864                     | 1, 901, 752. 14                  |
| Philippine Islands.....  | 1, 032, 667                      | 17, 481. 324                     | 1, 015, 185. 68                  |
| Puerto Rico.....         | 816, 667                         | 13, 824. 805                     | 802, 842. 20                     |
| Territory of Hawaii..... | 932, 333                         | 15, 782. 837                     | 916, 550. 16                     |
| Virgin Islands.....      | 5, 564                           | 94. 189                          | 5, 469. 81                       |
| Total.....               | 4, 721, 731                      | 79, 931. 019                     | 4, 641, 799. 99                  |

11. I find that during the years 1925-33 no sugar from the Canal Zone, American Samoa, or the Island of Guam was brought into or imported into continental United States for consumption, or which was actually consumed therein. Accordingly, the quota for each said area is fixed at 0.

12. That of the years 1931, 1932, and 1933, that year for each of the following listed areas, respectively, during which the greatest quantity of direct-consumption sugar from each such area was brought into or imported into continental United States for consumption, or which was actually consumed therein, and the quantity of such sugar so brought into or imported into continental United States during such year, are, respectively, for each such area, as follows:

| Area                    | Year | Quantity in terms of short tons, raw value | Area                     | Year  | Quantity in terms of short tons, raw value |
|-------------------------|------|--|--------------------------|-------|--|
| Philippine Islands..... | 1933 | 79,661                                     | Territory of Hawaii..... | 1932  | 26,023                                     |
| Puerto Rico.....        | 1933 | 133,119                                    | Virgin Islands.....      | ----- | 0  |

13. That 22 percent of the quota established for Cuba for the calendar year 1934 as specified in paragraph 10 of these regulations, is 418,385 short tons, raw value.

14. That, pursuant to section 8a (1) (A) of said Act, there may be included in the quotas fixed for the Philippine Islands, Cuba, the Territory of Hawaii, Puerto Rico, and the Virgin Islands by paragraph 10 of these regulations, direct-consumption sugar not in excess of the following respective amounts for each said area:

| Area                     | Amount of direct-consumption sugar, in terms of short tons, raw value |
|--------------------------|---|
| Cuba.....                | 418,385   |
| Philippine Islands.....  | 79,661  |
| Puerto Rico.....         | 133,119   |
| Territory of Hawaii..... | 26,023  |
| Virgin Islands.....      | 0   |

15. That the term "sugar" as used in these regulations does not include edible molasses, sugar sirup, refiners' sirup, invert sirup, sirup of cane juice, and sugar mixtures, for use as such and not for the extraction of sugar.

The terms "edible molasses", "sugar sirup", "refiners' sirup", "invert sirup", "sirup of cane juice", and "sugar mixtures" as used in these regulations shall have the meanings assigned to them in the definitions prescribed by me, with the approval of the President, in Sugar Regulations, Series 1.

## II

For the calendar year 1934:

16. Processors, handlers of sugar, and others are hereby forbidden from importing sugar into continental United States for consumption, or which shall be consumed therein, and/or from transporting to, or receiving in continental United States for consumption therein, any sugar from Cuba in excess of the quota of 1,901,752.14 short tons, raw value, and any direct-consumption sugar in excess of 418,385 short tons, raw value, being the amount of direct-consumption sugar which may be included in said quota as determined by paragraph 13 of these regulations.

17. Processors, handlers of sugar, and others are hereby forbidden from importing sugar into continental United States for consumption, or which shall be consumed therein, and/or from transporting to, or receiving in continental United States for consumption therein, any sugar from the Philippine Islands in excess of the quota of 1,015,185.68 short tons, raw value, and any direct-consumption sugar in excess of 79,661 short tons, raw value, being the amount of direct-consumption sugar which may be included in said quota as determined by paragraph 12 of these regulations.

18. Processors, handlers of sugar, and others are hereby forbidden from transporting to, or receiving in continental United States and/or from processing in Puerto Rico for consumption in continental United States, any sugar from Puerto Rico in excess of the quota of 802,842.20 short tons, raw value, and any direct-consumption sugar in excess of 133,119 short tons, raw value, being the amount

of direct-consumption sugar which may be included in said quota as determined by paragraph 12 of these regulations.

19. Processors, handlers of sugar, and others are hereby forbidden from transporting to, or receiving in continental United States and/or from processing in the Territory of Hawaii for consumption in continental United States, any sugar from the Territory of Hawaii in excess of the quota of 916,550.16 short tons, raw value, and any direct-consumption sugar in excess of 26,023 short tons, raw value, being the amount of direct-consumption sugar which may be included in said quota as determined by paragraph 12 of these regulations.

20. Processors, handlers of sugar, and others are hereby forbidden from importing sugar into continental United States for consumption, or which shall be consumed therein, and/or from transporting to, or receiving in continental United States for consumption therein, any sugar from the Virgin Islands in excess of the quota of 5,469.81 short tons, raw value, and any direct-consumption sugar whatsoever.

21. Processors, handlers of sugar, and others are hereby forbidden from importing sugar into continental United States for consumption, or which shall be consumed therein, and/or from transporting to, or receiving in continental United States for consumption therein, any sugar from the Canal Zone, American Samoa, or the Island of Guam.

22. That processors, handlers of sugar, and others are hereby forbidden from processing or marketing in continental United States any sugar imported into, transported to, or received in continental United States in violation of paragraphs 16 to 21, inclusive, of these regulations.

23. Processors, handlers of sugar, and others are hereby forbidden from marketing in, or in the current of, or in competition with, or so as to burden, obstruct, or in any way affect, interstate or foreign commerce, sugar manufactured from sugar beets and/or sugarcane, produced in the continental United States beet-sugar-producing area, in excess of the quota of 1,556,166 short tons, raw value, fixed by paragraph 3 of these regulations.

24. Processors, handlers of sugar, and others are hereby forbidden from marketing in, or in the current of, or in competition with, or so as to burden, obstruct, or in any way affect, interstate or foreign commerce, sugar manufactured from sugarcane and/or sugar beets, produced in the States of Louisiana and Florida in excess of the quota of 261,034 short tons, raw value, fixed by paragraph 3 of these regulations.

25. In translating any sugar into terms of raw value for purposes of quota measurements, the formulae and tables of conversion factors prescribed by me, with the approval of the President, in Sugar Regulations Series 1, shall be used.

In testimony whereof, I have hereunto set my hand and caused the official seal of the Department of Agriculture to be affixed in the city of Washington this 9th day of June 1934.

R. G. TUGWELL,  
*Acting Secretary of Agriculture.*

## EXHIBIT 2

### CORRESPONDENCE RELATIVE TO THE WAIVING OF THE CUBAN STABILIZATION INSTITUTE PRICE GUARANTY OF 1934

NEW YORK COFFEE & SUGAR EXCHANGE, INC.,  
*New York, December 14, 1934.*

HON. REXFORD G. TUGWELL,  
*Under Secretary of Agriculture,  
Main Building, Department of Agriculture, Washington, D. C.*

MY DEAR MR. SECRETARY: Mr. Ellsworth Bunker, chairman of the refiners' committee, delivered to me this morning a letter, copy of which I beg to enclose.

The board considered this letter at a special meeting held for the purpose this afternoon and instructed me to respectfully state to you that it does not think it suitable that the exchange communicate with the agency of a foreign government.

Respectfully,

WM. H. ENGLISH, Jr., *President.*



DECEMBER 14, 1934.

Mr. WM. H. ENGLISH, Jr.,  
*President New York Coffee and Sugar Exchange,*  
*New York, N. Y.*

DEAR SIR: Receipt is acknowledged of your letter dated December 11, 1934, setting forth a certain resolution of the board of managers of the New York Coffee and Sugar Exchange, Inc. The reference in the resolution to "the guaranty of the Cuban Sugar Institute" relates, I assume, to the several contracts offered last October by the Cuban Sugar Institute to, and entered into by it with, certain refiners individually; and particularly to price guaranty clauses, in various forms, contained in such contracts. As you may know, the refiners who entered into such contracts did so at the solicitation of the Cuban Sugar Institute.

It should be clearly understood that such contracts were separate sales made by the Cuban Sugar Institute to such refiners; that the price at which such sugar was sold, the price guaranty, the prohibition on selling to others than refiners, as well as then-existing and subsequent decrees, regulations, and restrictions on the sale and delivery of Cuban sugar, whether to refiners or others, were initiated and put into operation by the Cuban Sugar Institute or other Cuban authorities; and that refineries are not responsible for those measures or any situation resulting therefrom.

In November last the Cuban Sugar Institute sought and obtained the assents of the individual refiners concerned to certain modifications of the price-guaranty clauses.

Permit me, therefore, to suggest that, in view of the nature of the contracts and the history of the matter, the exchange, in requesting a modification or cancellation of the price-guaranty clauses, should address itself to the Cuban Sugar Institute, so that the latter, if it deems advisable, might take the matter up individually with the several parties with whom it made the contracts.

If the Cuban Sugar Institute advises the individual refiners concerned that it desires to permit sales to others than refiners and a further modification of the guaranty clauses, I believe the matter will receive their careful and cooperative consideration.

Yours very truly,

ELLSWORTH BUNKER.

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NEW YORK COFFEE & SUGAR EXCHANGE, INC.,  
*New York, December 14, 1934.*

Mr. ELLSWORTH BUNKER,  
*Chairman Refiners' Committee,*  
*New York City.*

MY DEAR MR. BUNKER: On behalf of the board of managers of the New York Coffee and Sugar Exchange, I beg to acknowledge receipt of your letter of today's date addressed to me as president.

The board has instructed me to inform you that a copy of your letter has been transmitted to Under Secretary of Agriculture Dr. Tugwell. I have been further instructed to send you a copy of the letter of transmittal to Dr. Tugwell, which I enclose.

Very truly yours,

WM. H. ENGLISH, Jr., *President.*

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NEW YORK COFFEE & SUGAR EXCHANGE, INC.,  
*December 11, 1934.*

Mr. REXFORD G. TUGWELL,  
*Under Secretary of Agriculture,*  
*Main Building, Department of Agriculture, Washington, D. C.*

MY DEAR MR. SECRETARY: I beg to advise you as per enclosure.

May I say that, in my humble opinion, if the refiners and Cuban Government concur in the request made, a solution will have been reached in a problem which, to say the least, has been very worrisome.

In addition, I beg to advise that the board authorized the Chair to appoint a special committee to resume study of, and promptly report on, amendments to the bylaws to make possible the ascertaining of the position of any individual or group in the clearing house; further, to make a report on amendments to provide for action in case action should be taken.

Sincerely,

W. H. ENGLISH, Jr.,  
*President.*

NEW YORK COFFEE AND SUGAR EXCHANGE, INC.,  
December 11, 1934.

MR. ELLSWORTH BUNKER,  
*Chairman Refiners' Committee,  
National Sugar Refining Co., New York City.*

DEAR SIR: At a meeting of the board of managers of the New York Coffee and Sugar Exchange, Inc., held this afternoon, the following resolution was unanimously adopted:

"*Resolved*, That following the conference held in Washington on December 10, 1934, the president of the exchange be, and he hereby is, authorized and instructed to request the sugar refiners to waive the guarantee of the Cuban Sugar Institute that Cuban sugar should only be sold at a fixed price prior to December 31, 1934, and to give their consent that such sugar be sold to anyone without restriction; such waiver and consent to take effect not later than December 20, 1934."

I should appreciate your taking immediate action to bring this matter to the attention of the parties in interest.

Very truly yours,

WM. H. ENGLISH, Jr., *President.*

### EXHIBIT 3

#### IMPORTANT CUBAN SUGAR DECREES AFTER THE INAUGURATION OF THE NEW TRADE AGREEMENT SIGNED AUGUST 24, AND EFFECTIVE SEPTEMBER 3, 1934

|  |      |
|--|------|
| Decree Law No. 456, September 1, 1934:   | Page |
| Prohibiting the export of sugar to United States unless sold at the minimum cost and freight price to be announced currently by the Cuban Sugar Institute, and creating the export permit committee.   | 37   |
| Decree Law No. 466, September 7, 1934:   |      |
| Permitting export of sugar for which National Export Corporation had issued export permit prior to September 1.  | 42   |
| Decree No. 2373, September 12, 1934:   |      |
| Further regulations under Decree Law No. 466 permitting export of sugar for which Export Corporation had issued export permit prior to September 1.  | 44   |
| Decree No. 2571, October 2, 1934:  |      |
| Issued by export permits committee authorizing stabilization institute to sell sugar to United States refiners below the quotation previously fixed.   | 45   |
| Decree Law No. 644, October 31, 1934:  |      |
| Authorizing shipment of United States quota sugars providing that (1) sugars be shipped and stored in United States and duty paid before January 1, 1935, and (2) that they be sold only to refiners for melting and at a price not below that fixed by the export permits committee for the date of sale. | 46   |
| Decree No. 3028, November 24, 1934:  |      |
| Relieving those who shipped sugar to the United States under Decree Law No. 644 from the requirement of paying the duty before January 1, 1935.  | 50   |

#### DECREE LAW NO. 456, SEPTEMBER 1, 1934

(Prohibiting the export of sugar to United States unless sold at the minimum cost and freight price to be announced currently by the Cuban Sugar Institute, and creating the export permit committee)

Whereas, upon the creation in the United States of America of a system of quotas for the supply of sugar for said country distributed among the various supply areas, our Republic has been included among them.

Whereas, the Secretary of Agriculture of the United States in accordance with the law establishing said system, has distributed the quotas for 1934 among the various areas which supply the sugar to the American market, the quota for Cuba being 1,901,752.14 short tons, equivalent to 1,697,992.98 long tons, based upon the estimated consumption of said country, with the object that prices be stabilized in such a manner that they be equitably profitable to the sugar producers and not excessive for the consumer.

Whereas, so far as our Republic is concerned, the latter should cooperate to the success of the sugar plan established in the neighbor country by taking the necessary measures to that end.

Whereas, that objective, with regard to Cuba, may be obtained by regulating her exports to the United States of America on the basis of sales in accordance with the current prices of duty-free sugar in the American market, minus the tariff duties imposed upon Cuban sugar in the United States of America, and in accordance with the supply and demand in other foreign countries which import Cuban sugar; whereby the sales that are made shall always be in accordance with the conditions prevailing in the markets which consume Cuban sugar.

Whereas, this system, responding to the object pursued by the sugar quota law in force in the United States of America, will also allow Cuban producers to continue to sell their sugar according to their needs, without lowering prices.

Whereas, the measures contained in this decree are also established in the interest of Cuban sugar producers, in order to enable them to obtain the highest possible prices for their sugar, fully receiving, without any deduction whatsoever, all the advantages of American preference, all of which is absolutely necessary for the recovery of the sugar industry of Cuba; and inasmuch as the very object of the recent lowering of duties in the United States of America and the granting of the greater preference, together with the establishment of an export quota for Cuba, is to prevent the destruction of our sugar industry which undoubtedly would have happened if its displacement from the American market and the sales which our producers were compelled to make below the cost of production due to the high tariff, had contained.

Therefore, in the exercise of the powers conferred by the constitutional law of the Republic, the council of secretaries resolves:

#### Article I

On and after the date of the enactment of this decree, the exportation of sugar to the United States of America shall not be made, if the sale on the basis of cost and freight New York and 96 degrees of polarization on the day of the celebration of the contract be effected at a price lower than the official quotation for sugar for immediate delivery, which will be based upon the highest of the three prices hereinafter immediately set forth:

(a) The world market price for Cuban raw sugar, plus the rate of duty of 1.875 cents per pound in effect in the United States of America on foreign sugars of 96° polarization, imported from foreign countries other than Cuba, less the duty of 0.9 cent per pound in effect on 96° Cuban raw sugar. The world price shall be defined as the average price of Cuban raw sugar in terms of currency of the United States of America f. o. b. Habana basis, at which the last sales shall have been made for the European markets, plus the prevailing freight rate from Habana to New York, plus the prevailing rate for insurance.

(b) The seaboard price of cane refined sugar, as determined from reliable sugar trade statistics, less the average refiner's margin between raw and cane refined sugar for the year 1933, as published in Willet and Gray's Statistical Sugar Trade Journal in its annual issue for the year 1933, less the duty of 0.9 cent per pound on Cuban raw sugar 96° basis.

(c) The price of duty-free raw sugar of 96° polarization, on the basis of cost and freight New York, less the 0.9 cent tariff on Cuban raw sugar of 96° polarization.

#### Article II

(a) A committee or board of export permits (which hereafter shall be known as the "committee"), is created, composed of 5 members, at least 3 of whom shall be Cuban citizens, said committee to be named by the President of the Republic upon the recommendation of the Cuban Institute for the Stabilization of Sugar. The above-mentioned appointments shall be made from persons of known moral character and of unquestionable competence in matters relating to the sale and exportation of sugar.



(b) It shall be the duty of the committee to see that all the orders contained in the present decree are fulfilled and it shall adopt adequate rules for the proper execution of its functions. This committee shall also daily announce the official quotation, and to this end shall obtain all the necessary information and sugar statistics from reputable commercial firms in the Republic and abroad, and also from any other sources of information, and is authorized to celebrate any contracts for services which might be deemed necessary.

(c) The committee shall designate a subcommittee from among its members, to be composed of 3 individuals, at least 2 of whom shall be citizens of the Republic of Cuba, and it shall be the immediate duty of said subcommittee to daily announce the official quotation and take charge of all matters that might be related thereto.

(d) Each member of the committee shall have a substitute or alternate who shall enjoy the same qualifications and who shall be able to act in place of the original member in the event of his inability to act. The substitute shall act only for the member whose place he occupies but not as an official such as president, which office the substituted member might seek.

(e) The committee shall proceed with the election of a president from among its members and may also appoint a secretary who may or may not be a member of the committee. The committee shall draw up the regulations governing the proper execution of its duties and shall present them to the Secretary of Agriculture for his approval.

(f) The Secretary shall have power to issue certified copies of the decrees and documents of the committee, which, for all legal purposes shall be considered as public documents.

(g) The members of the committee and their substitutes shall serve for a term of 1 year and until those who are to substitute them have been named, and may be reelected for an indefinite period.

#### Article III

(a) The subcommittee shall unfailingly announce the official quotation every lawful day before 5 p. m. and said quotation shall be in force during the entire following day.

(b) The subcommittee may act and enter into agreements through two of its members, provided that there be an unanimous vote.

(c) If, for any reason, the subcommittee on any given day cannot announce the official quotation for the following day, the last quotation announced shall remain in force.

(d) Every member of the subcommittee who, deliberately or due to inexcusable negligence shall hinder its functions, shall lose his office and shall be dismissed by the committee, who shall appoint a new member in his place.

#### Article IV

The official quotation shall be made public daily by every possible means, including the Official Gazette of the Republic, and the committee shall make it known, officially and in writing to any individual soliciting said information.

#### Article V

Any legal or natural person in order to export sugar destined to the United States of America, must first obtain an export permit from the committee, and the latter shall only issue such permit when the conditions with reference to the sale be in harmony with the provisions of this decree, and provided that the vendor comply with the other requirements set forth in this decree or with those that the President of the Republic might establish and which do not conflict with said decree.

#### Article VI

(a) All sales of sugar for export to the United States of America shall be communicated under oath to the committee, within the 2 lawful days following their consummation, and in such a manner that the contract may be readily identified and with a statement as to whether or not the sugar is for direct consumption.

(b) The oath shall be made either before the secretary of the committee or before any of its members, or before a public or commercial notary practicing in Cuba, who, for all purposes, shall be considered as public officials with capacity to administer the oath according to law.

(c) The committee shall prepare the necessary forms so as to comply with the requirements of this decree.

(d) In order that the collector of customs shall permit the exportation of sugar, it shall be necessary that the consular declarations state whether or not the sugar is for direct consumption and also that the committee has authorized the exportation thereof.

#### Article VII

(a) On and after the date of the enactment of this decree, it shall be unlawful to export to the United States of America, sugar on consignment or unsold, or under any other contract which specified that the sugar is not to be delivered within 60 days following the signing of the contract.

(b) If the exportation consists of sugar for direct consumption, such exportation shall not be authorized unless the exporter presents certificates of identification to the committee, permitting him to export sugar for direct consumption.

#### Article VIII

(a) The provisions of this decree shall be applicable to the sales of sugar in any form whatsoever for exportation to the United States, including so-called "liquid sugar", sirups, sugared solutions, or in any other liquid or solid form in which sugar may be prepared for human consumption, or for the ulterior extraction of sugar.

(b) Direct consumption sugar and residual (blackstrap) molasses, are excepted from the provisions of this decree.

(c) Direct consumption sugar, for the purposes of this decree, shall mean that which is processed expressly for exportation and to be distributed and used in the continental United States of America without further refinement, improvement in quality, or additional treatment.

(d) Residual (blackstrap) molasses for the purposes of this decree shall mean the residual byproduct of the manufacture or refinement of cane sugar unfit for human consumption or for the ulterior extraction of sugar.

#### Article IX

Regarding the sale of sugar, excepting raw sugar on the basis of 96° polarization, in order to determine whether or not such sale has been effected in accordance with the official quotation, the pounds of sugar to be exported shall be converted into its raw sugar value on the basis of 96°; later, the total values of the sale shall be determined according to the price and other conditions of the contract; and finally, by dividing said total value by the number of pounds of sugar to be exported, the sale price of each pound sold will be ascertained and this price shall be the one to be considered when the question of authorizing the exportation is to be decided.

#### Article X

In exceptional cases the committee may authorize the exportation of sugar below the lowest exportation price for sugar damaged as the result of cyclones, fires, or other unforeseen causes, or an act of God, upon being duly established to the satisfaction of the committee. The latter, upon considering the circumstances in each case, the condition of the sugar and the prices prevailing in the market for sugar in such condition, shall determine the price that will be accepted for such sugar for exportation.

#### Article XI

Whenever the vendor shall desire to export his sugar, he shall present a petition under oath to the committee, stating under which of the declared contracts he will effect the shipment, and any other details necessary for the identification of the sugar and of the contract under which it is to be shipped. The committee shall prepare the proper form in order to comply with the requirements of this decree.

#### Article XII

(a) The committee shall have power to investigate at all times and in every manner possible, the truthfulness of the statements made to it in regard to the exportation of sugar, or in obtaining exportation permits, and may solicit infor-

mation from the books, files, and documents of the exporter, or may request the latter to permit said committee to inspect the same, and upon refusal, may refuse to grant the exportation permit.

(b) Likewise the committee, before issuing exportation permits may require that the exporter bind himself to present a certificate of the unloading of the sugar, of the liquidation of the price of his contract and any other information relating to unloading and delivery of the sugar at the port of destination. It may also demand a bond from the exporter guaranteeing that he will present the information requested by the committee within the regular time set aside, which shall not be less than 90 days nor more than 120. This period of time, however, may be extended by the committee in the case of an emergency duly established or when such extension is requested by the interested party.

#### Article XIII

(a) Any individual or entity who shall make a false declaration whenever obliged to make a statement under the provisions of this decree or in compliance with the orders issued for the better carrying into effect of same, shall be deemed guilty of the crime of perjury.

(b) Independent of the penal responsibility incurred by the individual who should sell sugar for a price lower than the declared price, said individual shall be compelled to pay the committee a sum three times the difference between the declared price and the actual sale price. Upon failure to pay such sum within 5 days following the request of the committee to do so, said sum shall be collected at the request of said committee, through any of the correctional courts of the city of Habana; and for that purpose, shall be considered a civil responsibility in accordance with the provision of Military Order No. 124, of 1902, and upon failure to pay the committee, which shall have the character of a civil referee, the convicted party shall be subject to the personal subsidiary responsibility provided for in article XLIV, paragraph 1, of order 213, of 1900.

(c) The sums of money received by the committee in the above-mentioned manner shall be deposited in the Sugar Exporting Corporation and shall become part of this fund to be utilized for the purposes for which it was created.

#### Article XIV

(a) Anyone desiring to export direct consumption sugar to the United States of America, shall submit evidence to the committee to the effect that the raw sugar from which said direct consumption sugar was produced, was purchased for not less than the official quotation price in effect on the day upon which the sale was consummated, less the corresponding deduction according to the manner in which the sugar was purchased, unless produced directly.

(b) For the purposes of this article, all purchases of raw sugar destined for the production of direct consumption sugar to be exported to the United States of America, shall be reported to the committee just as in the case of a sale of sugar to be exported to the United States of America.

#### Article XV

This decree shall be in force and shall be made applicable as soon as the present reciprocity treaty between Cuba and the United States of America becomes effective.

#### Transitory Resolution

All contracts of sale of sugar for exportation to the United States of America, celebrated prior to the date this decree enters into effect, shall be reported to the committee within 10 lawful days following the enactment of same, in compliance with the requirements established in this decree.

The sugar sold under such a contract may be exported only if the sale price of same is not less than the official quotation, in accordance with the information in possession of the committee; provided, that whenever it is established to the satisfaction of the committee that the contract of sale at a lower price has been entered into in good faith and prior to the effective date of this decree, such contract may be accepted by the committee which is hereby empowered to make such exceptions.



DECREE LAW NO. 466. SEPTEMBER 7, 1934

(Permitting export of sugar for which National Export Corporation had issued export permit prior to September 1)

I, CARLOS MENDIETA Y MONTEFUR, Provisional President of the Republic of Cuba, hereby make known that the cabinet has approved and I have sanctioned the following:

Whereas the Exports Permits Committee created by Decree Law 456, of August 31 of this year, has addressed the Cuban Sugar Stabilization Institute in order to inform it that various persons interested in the exportation of sugars have approached it in order to state their special cases, all in relation to the second transitory provision of said decree law, which the committee itself classifies into the four following groups:

(1) Group of exporters who have obtained permits from the National Sugar Export Corporation and have chartered vessels with which to ship said sugars under those permits, the ships having arrived and commenced to load before midnight of September 3; that is, before the said Decree Law 456 became effective as a consequence of the coming into effect of the recent Treaty of Reciprocity between Cuba and the United States of America.

(2) Group of exporters who have obtained permits from the National Sugar Export Corporation and have chartered vessels with which to ship said sugars under those permits, said ships having arrived before midnight of September 3, but having begun to load after said day and hour.

(3) Group of exporters who have likewise obtained permits from the National Sugar Export Corporation and chartered vessels on which to ship the sugars under those permits, the ships having arrived after midnight of September 3, that is, after said decree law was in full force.

(4) Group of exporters who have likewise obtained permits from the corporation and state that they have chartered vessels for the shipping of such sugars under those permits, not knowing whether said ships are on their way to Cuba or whether they have not yet commenced their voyage.

Whereas the Cuban Sugar Stabilization Institute, as a result of the said initiative on the part of the export permits committee, requests that reglementary measures be adopted in relation to said special cases, which to a certain extent constitute an intermediate situation between those foreseen by the first of the transitory provisions of the aforesaid decree law and those under the second, due to the circumstance that the process of exportation commenced before its promulgation, without being completely carried out.

Whereas one of the purposes of the said Decree Law 456 was the controlling of sugars deposited in warehouses in the United States, to the extent that this might be possible, in order to submit them to a system of monthly licenses and export permits established therein, as is shown by the first of its transitory provisions, it would be manifestly contrary to its spirit and letter to exempt sugars included in the four groups referred to from the restrictions imposed on exports in the said legal text, which were agreed upon precisely for the purpose of assuring to the people of Cuba the full enjoyment of the benefits obtained with respect to sugar by virtue of the recent reciprocity treaty between Cuba and the United States of America.

Whereas notwithstanding the above, in consideration of the fact that the vessels of the exporters arrived before said decree law went into effect, or immediately after it took effect, it is evident that the cases included in the first 3 of the 4 groups referred to in the first "whereas" clause hereof, should be the object of the special rules which, by avoiding demurrage and other expenses for the shippers, will at the same time guarantee that the exigencies of the said decree law will in the end be fulfilled in connection with said sugars.

Therefore in the use of the powers conferred upon it by the constitutional law of the Republic, the cabinet has resolved to issue the following Decree Law 466:

ARTICLE I. The permits committee may authorize, without considering the selling price, shipments of sugars sold prior to the promulgation of Decree Law 456, of August 31, 1934, published in the Official Gazette of September 1 of said year, provided the following requisites are fulfilled:

(a) That their exportation has been authorized by the National Sugar Export Corporation before September 1, 1934.

(b) That the vessel for the export has been chartered prior to September 1, 1934.

(c) That said vessel has arrived at the port of shipment before midnight of September 8, 1934.

Said authorizations shall be subordinated to the following rules:

First. The shipper shall obligate himself to deposit the sugars object of the export permit in bonded warehouses of the port of destination of the United States of America, accepting in advance irrevocably the submission thereof to the rules promulgated by the Cuban Government through any of its organisms, or by the Government of the United States of America for the purpose of subjecting the Cuban sugars which were in the same situation (i. e., in bonded warehouses in the United States of America) when the new reciprocity treaty between Cuba and the United States of America went into force, to the system of monthly licenses and export permits.

Second. Consequently, the importation and sale of said sugars in the United States of America may not be completed except within the limits established with respect to the exporter according to the monthly licenses issued to him, and at such a price that, estimated on the cost including freight New York basis, shall not be less than the New York spot quotation effective in Cuba on the date of the sale, according to article 1 of said decree law.

Third. The exporter shall also bind himself—

(a) To produce a sworn statement to the effect that the sugars have been placed on deposit in bonded warehouses of the port of destination, which he shall produce within 15 days following the arrival of the vessel in that port.

(b) To present a sworn statement before the export permits committee notifying it of the sale, the purchaser, and the price within 48 hours following the closing thereof in the United States of America.

(c) To present to the same committee within 90 days following the closing of the same in the United States of America, a certificate showing the payment of the customs duties, a copy of the contract of sale, and a sworn statement with regard to the price obtained as an average, per pound, and the manner in which it was paid.

Fourth. The exporter shall guarantee the fulfillment of the obligations imposed upon him in the foregoing rules, through a surety bond in favor of the export permits committee, in accordance with the last paragraph of article XII of the said decree law, which he may give in cash, banking surety of a bank affiliated with the Habana Clearing House or by a deposit of sugar-stabilization bonds or of the external debt of Cuba prior to 1925 at their market value, which shall cover the sugar exported at the rate of \$1.45 per bag, that is, the approximate difference between \$1.85 per hundredweight, current quotation of Cuban sugar on the cost including freight New York basis before the new reciprocity treaty went into effect and the New York spot quotation published by the subcommittee of export permits in force on that date.

Fifth. The exporter shall agree that, if any of the obligations referred to in the foregoing rules are not fulfilled, the bond shall be applied to the ends provided for in the last two paragraphs of article XIV of the said decree law, to the extent that may be necessary, if the sugars are sold at a price lower than the New York spot quotation on the date of the sale; and also may be totally forfeited in favor of the funds of the National Sugar Export Corporation if the price of the sale is not known and satisfactorily proved.

Sixth. They shall likewise agree that the sugars exported be charged to their first monthly license as holder of sugars and to successive ones, in accordance with article XIII of the decree law under reference and under the fourth of its transitory provisions, while it be necessary to cover the sugars exported in accordance with the rules.

ART. II. The President of the Republic is authorized to resolve, on proposal of the Cuban Sugar Stabilization Institute, upon any other case not provided for in this decree law nor in the previous one to which reference has been made.

ART. III. This decree law shall take effect from the date of its publication in the Official Gazette of the Republic.

Therefore, I order that this decree law be fulfilled and executed in all of its parts.

Done at the Presidential Palace, in Habana, on the 7th day of the month of September 1934.

CARLOS MENDIETA.

CARLOS M. DE LA RIONDA,  
*Secretary of Agriculture.*



DECREE NO. 2373, SEPTEMBER 12, 1934

(Further regulations under Decree Law No. 466 permitting export of sugar for which Export Corporation had issued export permit prior to September 1)

I resolve, first, that sugars sold prior to the promulgation of Decree Law No. 456, of August 31, 1934, be considered as exceptional cases by the export permits committee, which shall authorize their shipment without consideration of their selling price, provided they fulfill all the requirements stipulated in subdivisions (a), (b), and (c) of the first paragraph of article I of Decree Law No. 466, of September 7, 1934, and furthermore that their exportation has been initiated on vessels which are loaded before midnight of the day following the promulgation of this decree, in accordance with the following rules:

(a) The exporter shall produce a sworn statement showing the date of the contract, the name of the buyer and seller, and of the intermediaries, if there be any, the quantity of sugars sold on the basis of 96° polarization of 325-pound bags, the price and conditions of the sale, date of shipment, kind of sugar, and shall also present the contract under which the shipment is being made, all in accordance with the rules issued by the export permits committee.

(b) He shall present a certificate showing that he has requested and obtained an export permit from the National Sugar Export Corporation before September 1, 1934.

(c) He shall likewise present a certificate from the customhouse showing the date of entry of the vessel on which the exportation is to be made, which must be prior to midnight of September 8, and that it finished loading before midnight of the day following the promulgation of this decree.

(d) Within 90 days following the date of shipment, he shall present a copy of the liquidation of the sugars at the port of destination, duly signed and sworn to by the buyer before a notary public or officer authorized to take oaths, setting forth the truth of the facts regarding the liquidation.

(e) The export permits committee may grant a period of 30 days for the presentation of the documents required under rules (b) and (c).

(f) The exporter shall guarantee the fulfillment of the obligations imposed upon him in the foregoing rules, by means of a bond given in favor of the export permits committee, in accordance with the final paragraph of article XII of Decree Law No. 456, of August 31, 1934, which may consist of cash, banking security of a bank member of the Habana Clearing House, or of a deposit of sugar-stabilization bonds or bonds of the external debt of Cuba prior to 1925, at their market value, which bond shall cover each bag exported in the sum of 40 cents.

(g) The exporter shall agree that, if any of the obligations referred to in the preceding rules are not fulfilled, the bond be entirely forfeited in favor of the funds of the National Sugar Export Corporation.

(h) Likewise he shall agree that the sugars exported be charged to his first monthly license as holder of sugars and to the future ones, in accordance with article XIII of the decree law under reference and with the fourth of its transitory provisions, as long as necessary to cover the sugars exported in accordance with these rules.

Second, that the export permits committee be empowered to authorize the National Sugar Export Corporation to remit to the continental territory of the United States, for the purpose of refining, sugars belonging to it to be exported ultimately to other countries; provided, it guarantees its shipment from the continental territory of the United States within 90 days following its unloading in American ports.

Third, this decree shall take effect from the date of its publication in the Official Gazette of the Republic and the Secretary of Agriculture is charged with its fulfillment.

Given at the presidential palace, on this 12th day of the month of September 1934.

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*President.*

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*Secretary of Agriculture.*



DECREE NO. 2571, OCTOBER 2, 1934

(Issued by export permits committee authorizing Stabilization Institute to sell sugar to United States refiners below the quotation previously fixed)

Whereas it is highly desirable to authorize the Cuban Sugar Stabilization Institute to contribute with effective measures to stimulate the rapid sale of sugars in considerable quantities, at remunerative prices in accord with the statistical situation of the market and with the current quotations in the United States, promoting to that effect a voluntary agreement of the Cuban sellers of sugar in order to favor the distribution of their products, on the one hand, and, on the other, inviting the buyers of that country to make offers.

Whereas this statistical situation of the sugar market, on the one hand, and, on the other, the importance of the sugar stocks of Cuba stored in warehouses in the United States of America and available for immediate delivery, make the strict application of the provisions of Decree Law No. 456 of August 31, 1934, at this time a source of difficulty in the sale and exportation to said country of the sugars stored in the national territory and belonging, in their greater portion, to Cuban producers \* \* \*

\* \* \* \* \*

Therefore, in use of the powers conferred upon me in article II of Decree Law No. 466 of September 7, 1934, and for the purpose of regulating the said exceptional sale, on proposal of the Cuban Sugar Stabilization Institute, and having consulted the Secretary of Agriculture,

I resolve, first, to authorize the Cuban Sugar Stabilization Institute:

(a) To promote, regulate, and put into effect a voluntary agreement between the holders of sugars stored in the national territory, in order to sell those that are included in the agreement and covered by monthly export licenses to the United States of America, chargeable to the quota of supply fixed for Cuba by said country for 1934.

(b) To request, receive, and consider, within the time fixed for that purpose, which is not to exceed 72 hours counted from 6 p. m. to 6 p. m., excluding holidays in the United States or in Cuba, offers to buy made by persons interested in purchasing Cuban sugars stored in the national territory for exportation to the United States of America, insofar as they refer to those sugars covered by the quota of supply fixed for Cuba in said country for 1934.

(c) To accept, as intermediary and in the name of the buyers and holders who respectively have made offers of sales, as provided in subdivision (a), or requests to buy, as expressed in subdivision (b), the proposals that are received, and to apply one to the other to the point that their respective bulk volumes coincide, and in lieu thereof to pro rate them among those who have made such offers, according as the requests to buy exceed that shown by the voluntary agreement of the sellers, or vice versa.

(d) To distribute the offers to buy that it has accepted among the holders of raw sugars participating in the agreement authorized under subdivision (a), to the extent that the products offered by them are covered by monthly licenses which permit their exportation to the United States of America within the terms of the proposals to buy that have been accepted; care being taken that these be charged to them in chronological order for the months for which they have been issued, and also that, if necessary, they be pro rated between the contributions (offers) made to the agreement that are under like conditions, when their bulk volume exceeds the demands of the buyers that are to be supplied.

Second, the voluntary agreement and the offers to buy, or sell referred to in four preceding subdivisions may not include sugars retained by Decree No. 1093, of April 19, 1934, published in the Official Gazette of the 26th of the same month, until the so-called "free sugars" have been exported, that is, those destined for the market of the United States of America at present stored in the national territory and excluded from such restriction.

Third, that for the carrying out of the operations of purchase and sale referred to in the preceding article, the Cuban Sugar Stabilization Institute, in accordance with the circumstances of the case, may address to the export permits committee the necessary instructions for it to modify the spot New York quotation, as soon as it considers it necessary to facilitate the placing of the sugars included in the agreement of sellers authorized under subdivision (a) of said article first, and the committee shall proceed to fix said quotation and to publish it in accord with such instructions.

Fourth, that the Cuban Sugar Stabilization Institute, if it considers it necessary to facilitate the obtaining of the objectives sought by the agreement authorized in article first, or to assure the carrying out of the offers to buy and sell that are accepted, may likewise instruct the export permits committee to the end that any spot New York quotation, fixed and published in accordance with the preceding article, may be maintained by that organism during the period of time that the institute shall fix; provided, it does not exceed 60 days.

Fifth, that all the provisions of Decree Law No. 456, of August 31, 1934, with regard to the publication, advertisement, and effects of the New York spot quotation be applicable to the quotations fixed and published by the export permits committee according to the instructions communicated to it by the Institute in the exercise of the powers hereby granted it.

Sixth, the Cuban Sugar Stabilization Institute shall issue and publish adequate rules for the purpose of fulfilling what is ordered in this decree; especially to assure the equitable distribution of the offers to buy and sell among all the interested persons who may have the right to participate therein in accordance with its dispositions, and also to carry out the loyal fulfillment of all those offers that have been accepted and to favor the total execution of the agreement of sellers authorized by subdivision (a) of the first paragraph.

Seventh, the Secretary of Agriculture is entrusted with the fulfillment of this decree, which shall take effect from the date of its publication in the Official Gazette.

Given at the presidential palace, in Habana, on this second day of the month of October 1934.

\_\_\_\_\_,  
President.  
\_\_\_\_\_,  
Secretary of Agriculture.

DECREE LAW NO. 644, OCTOBER 31, 1934

(Authorizing shipment of United States quota sugars providing that (a) sugars be shipped and stored in United States and duty paid before January 1, 1935, and (b) that they be sold only to refiners for melting and at a price not below that fixed by the export permits committee for the date of the sale)

*Council of Secretaries, Carlos Mendieta y Montefur, Provisional President of this Republic of Cuba, makes known, That the Council of Secretaries has approved and I have sanctioned, the following:*

"Whereas it is necessary to adopt certain special and urgent measures with respect to the quota of exportation to the United States of America fixed for our sugars for this year, in order to obtain the greatest possible benefit for our producers, due to present difficult and complicated situation of said sugar market.

"Whereas according to the provisions of the Costigan-Jones Law in force in the United States of America, the import quota of sugars assigned to Cuba for the calendar year 1934 must be entered in its entirety into said country during the course of this year, as an essential requirement for taking advantage of the same.

"Whereas the impossibility of placing the total quota assigned to Cuba under that law through definite sales to American consumers and refiners, due to the short period of time available, make it essential to adopt measures which will favor the exportation of the balance of said quota on hand in the national territory before January 1, 1935, in order thus to prevent the partial loss of the right of Cuba to avail itself fully of the said quota and the grave consequences of such a contingency on future crops.

"Whereas such measures, although attending in the first place to the adequate protection of the national interest referred to, must be based on a respect of the rights of the holders of sugars, individually considered, to the extent that these are compatible with the said interest, affording all of them the same opportunity provided the same circumstances exist in all cases.

"Whereas it is the firm intention of the Government, in relation to all economic problems, to consult carefully the opinion of all persons really interested in the business in hand, and, in all possible cases, to leave the solution of these economic matters, insofar as affects private interests, to the Government, looking after everything that concerns the public interest.

"Whereas the Cuban Sugar Stabilization Institute, the 'Asociación Nacional de Colonos', the National Sugar Export Corporation, and the 'Asociación Nacional de Hacendados', which represent, as is well known, all the persons really



interested in the sugar business, have been consulted in relation to these special, extraordinary, and urgent measures; and from the study of their opinions they seem to be sufficiently agreed on the essential points for the adequate regulation of the immediate measures which should be adopted for the better obtaining of the indicated purposes.

"Whereas the 'Asociación Nacional de Colonos' has been consulted in connection with these extraordinary measures suggested by the Cuban Sugar Stabilization Institute, and its opinion thereon has been analyzed with the same attention and scrupulous care, its observations having been considered wise, reasonable, and worthy of consideration.

"Whereas the 'Asociación Nacional de Hacendados' has likewise suggested proper modifications after a careful study of the measures that have been recommended to the Government.

"Whereas the Cuban Sugar Stabilization Institute after a careful study, has suggested different measures leading to the desired objective, which the Government considers as most valuable for obtaining the ends that are sought, introducing therein a few amendments suggested by other interested entities, measures which should constitute a real benefit for the Nation and for those interested in that business, for which reason the Government, after a careful study, considers that said measures should be adopted."

Therefore, in use of the powers conferred upon it by the constitutional law of the Republic, the cabinet has seen fit to issue the following Decree Law No. 644:

ARTICLE I. For the purposes of this decree law, all stocks of sugars on hand in the national territory destined for the United States of America shall be classified as follows:

(A) Sugars held in accordance with Decree No. 717 of March 7, 1934, which shall be known as "surplus sugars on hand."

(B) Sugars subject to exportation to the United States of America during the remainder of the year, within the import quota fixed for Cuba by said country and disposable after deduction of the charges made thereon in accordance with the provisions of the Department of Agriculture of the United States. Said sugars shall be known as "exportable sugars."

(C) Sugars of the 1934 quota of Cuba to the United States which, although originally exportable to said country are now surplus due to the charges made against the Cuban quota for the United States, in accordance with the rules of the Department of Agriculture of the United States. These sugars shall be known as "additional surplus sugars."

ART. II. The National Sugar Export Corporation, as soon as possible, shall proceed to request and compile the necessary data to determine:

(a) The quantity of sugars that Cuba may export to the United States of America under its 1934 quota after the sales made in accordance with the voluntary agreement authorized by Decree No. 2571 of October 2, 1934 have been carried out, and the sales declared under Decree Law No. 456 of August 31, 1934, and other supplementary provisions thereof, insofar as they have been approved and are pending execution.

(b) The quantity of sugars which are included without distinction among the classifications referred to in subdivisions (B) and (C) of the preceding article, after deducting from those on hand in the national territory those affected by the above-mentioned sales, obtaining the data, with respect to the total of said sugars as well as in relation to each holder.

ART. III. Once all of the data referred to in the preceding article have been obtained and any others which may be considered necessary by the National Sugar Export Corporation, it shall proceed to fix the individual shares corresponding to each holder of sugars for the classification defined in subdivisions (B) and (C) of article I, taking into account in order to fix those of "exportable sugars" the "monthly licenses" in force in the order of their issuance and, if necessary, those to be issued until the 1934 Cuban quota for the United States of America has been completely filled.

ART. IV. The "surplus sugars on hand" shall be subject to the dispositions in force in regard thereto.

The "exportable sugars" may be exported in their entirety during 1934, insofar as their holders contract, within 10 days following the promulgation of this decree law, the obligation of doing so and satisfactorily guarantee, in the judgment of the National Sugar Export Corporation, the performance of said obligation.

The "additional surplus sugars" may be likewise exported during the present year 1934, insofar as the holders of "exportable sugars" do not adhere to what is provided in the preceding paragraph in a sufficient quantity fully to cover the dis-



posal part of the quota assigned to Cuba for 1934 by the Costigan-Jones law; but such exportation may only be authorized and carried out in the measure and form provided by the said National Sugar Export Corporation.

It will be necessarily a requisite for exportation during 1934 as to "exportable sugars" as well as with regard to "additional surplus sugars" that their holders fulfill the provisions of this decree law and those that may be issued by the National Sugar Export Corporation in accordance with it, for its proper execution.

ART. V. Every holder of sugar may export his share of unsold "exportable sugars" during 1934, provided he has contracted and guaranteed the obligation which is referred to in the second paragraph of article IV and submits to the following conditions:

(a) That they be shipped for storage in warehouses in the United States, after payment of the customs duties at the customhouses of said country before January 1, 1935.

(b) That before that date they not be sold except to refiners to be melted and at a price not under the quotation fixed by the export permits committee for the day of the sale.

The provisions of the initial paragraph of subdivision (a) of this article shall also be applicable to "additional surplus sugars", insofar as their exportation is authorized during 1934, in accordance with what is established in article IV, and provided the exporter shall guarantee in addition, to the satisfaction of the National Sugar Export Corporation, that he will not sell them before January 1, 1935.

After December 31, 1934, the owners of sugars exported to the United States in accordance with this decree law may freely dispose of the same.

ART. VI. The corporation, without the need of waiting for the fixing of the definitive shares of each class of sugar corresponding to each holder, may, in its discretion, authorize the exportation of "exportable sugars" as soon as requested by their holders in accordance with this decree law, but to be charged to the shares which may definitely be assigned to them of said "exportable sugars" or, if necessary, to be charged to those assigned to them as "additional surplus sugars" the exportation of which is authorized in 1934.

ART. VII. The export permits for sugars that are to be exported under the terms of this decree law shall be granted by the export permits committee if the holder thereof gives surety bond in the manner and in the sum to be determined by the National Sugar Export Corporation, in order to guarantee the fulfillment of all the obligations and conditions established in this decree law, as well as the damages and losses which the nonfulfillment thereof might cause, especially to the participants in the voluntary agreement authorized by Decree No. 2571 of October 2, 1934. The surety bond will not be necessary if the holder agrees that the shipping documents be issued to the order of the National Sugar Export Corporation, trustee, shall proceed to unload, pay the customs duties, and place the sugars in warehouse on account of and at the expense of the holder of said sugars, which shall remain stored in the name of the corporation as trustee.

ART. VIII. The National Sugar Export corporation, in order to give commercial and banking credit facilities to carry into effect the exportation of sugars, and in view of the circumstances, shall determine the system which is to be followed in order to export the sugars of Cuba to the United States, either in general or in each case, to this end establishing adequate rules, in which it may even require, in case of acting as trustee, that the necessary funds be advanced to it or that banking credits be opened in its favor for the payment of all expenses originating in the operations in connection with the sugars to be exported.

ART. IX. In all cases in which the National Sugar Export Corporation acts as trustee, it may issue trustee receipts setting forth the receipt of the sugars or the storage thereof, and said trustee receipts shall be documents representing the sugars and shall entitle the holder to collect the amount of the sale represented by them, substituting the sugars in all pledge contracts to which the same may be subject, in a like legal situation or condition as the former, as if said sugars and their certificates of deposit continued in the hands of the pledge creditor, who shall hold and may exercise all the rights which as such creditor he is entitled to with respect to the trustee receipts received by him, his privilege and lien being extended to the proceeds of the sale of the sugar represented by said receipts with the same preference and degree which with respect to the sugars he may have under the pledge contract in accordance with the laws in force.

ART. X. If, notwithstanding what is provided in the preceding article, any pledge creditor, once the sugars are stored in warehouses in the United States,

prefers that the warehouse receipt or storage certificate be delivered to him instead of the trustee receipt, the National Sugar Export Corporation may deliver the same to him, but shall require of him security to the effect that he will not dispose of the sugars covered by the warehouse receipt or storage certificate, except in accordance with this decree law. The National Sugar Export Corporation, for said activity, shall not assume the obligations of the pledge contract or of any other, either for its own account or as guarantor, or in any other character or capacity.

ART. XI. Of the sugars exported to the United States of America in accordance with this decree law only those corresponding to the class of "exportable sugars" may be sold before January 1, 1935, and, therefore, those belonging to the class of "surplus additional sugars" may not be sold until after that date.

The sugars exported to the United States of America in accordance with this decree law which are unsold on January 1, 1935, whatever their classification may be, shall have preference for their sale with respect to every other sugar from said date until February 28, 1935; and therefore there may not be exported to said country before March 1, 1935, the sugars existing in the national territory, including those which may be produced in the 1935 crop, unless those situated in the territory of the United States of America in accordance with this decree law have been sold in a quantity representing at least 80 percent of such sugars.

Once the sugars placed in the United States of America in accordance with this decree law have been sold in the proportion mentioned, the Cuban Sugar Stabilization Institute, after January 1, 1935, shall authorize the exportation of any other sugars on hand in the national territory.

After February 28, 1935 all the preference established in this article shall be without effect.

ART. XII. If within the periods established in this decree law or fixed by the National Sugar Export Corporation for its fulfillment, the latter shall not have received sufficient offers to cover with "exportable sugars" or with "additional surplus sugars" a quantity of sugar equal to the total quantity of "exportable sugars" existing in the national territory, it shall immediately communicate the fact to the President of the Republic who shall be authorized to issue, if he deems proper, such measures as may be necessary in order that a quantity of sugars equal to the total of said "exportable sugars" may be shipped to the United States, paying the proper customs duties before January 1, 1935, in order that the Republic of Cuba may not fail to export the total of its exportable quota to the United States within the year 1934.

ART. XIII. In the event that the "exportable sugars" and the "additional surplus sugars" offered to the National Sugar Export Corporation to be exported under the terms of this decree law should exceed in their bulk volume the total of "exportable sugars" existing in Cuba, preference for exportation shall be given to "exportable sugars" offered, and if a deficit remains to be covered in order to reach a quantity equal to the total of "exportable sugars" existing in Cuba, it shall be filled pro rata with the "additional surplus sugars" that are offered.

ART. XIV. The National Sugar Export Corporation shall not be in any way responsible by reason of the acts which in fulfillment of what is provided in this decree law it may do, nor for the acts which to this effect may be done by its officers, employees, attorneys, agents, or by any person acting in the name of, or on account of, the corporation, from which nothing may be claimed by virtue of such acts.

ART. XV. The rules and provisions adopted by the National Sugar Export Corporation by virtue and in fulfillment of what is provided in this decree law, shall be submitted for the prior approval of the President of the Republic, through the conduct of the Secretary of Agriculture.

ART. XVI. This decree law shall take effect from the date of publication in the Official Gazette, all legal provisions being derogated insofar as opposed to the fulfillment hereof.

ART. XVII. All laws, order, decrees, decree laws, and other legal regulations which may be in conflict with the fulfillment of this decree law are hereby derogated.

#### Transitory Provision

The period fixed in article VI will expire on November 15, 1934, with respect to exportable sugars belonging to colonos who have not pledged the same under pledge obligations.



Therefore, I order compliance and enforcement of the present decree law in its entirety.

CARLOS MENDIETA, *President.*  
CARLOS M. DE LA RIONDA,  
*Secretary of Agriculture.*

Given in the presidential palace at Habana this 30th day of October 1934.

DECREE NO. 3028, NOVEMBER 24, 1934

(Relieving those who shipped sugar to the United States under Decree Law No. 644 from the requirement of paying the duty before Jan. 1, 1935)

Whereas the Department of Agriculture of the United States has announced officially that Cuban sugars placed in bonded warehouse on and prior to December 31, 1934, will be counted as part of the Cuban quota for 1934, provided that the quota has not already been filled by sugars which have paid duty, and provided that the importers of the sugars shall, before the end of the year, declare their intention of keeping the sugar in bonded warehouse until after December 31 and of their desire that such sugar be charged against the 1934 quota;

Whereas, in view of this ruling on the part of the United States, it is therefore not necessary to require the holders of Cuban sugars, who desire to export their sugars under Decree Law No. 644 of October 30 to pay duty on such sugars prior to January 1, 1935, as was required by section (a) of article 5 of said Decree-Law, which also conformed to orders issued by the United States Government, that imported sugars, if they were to be counted as part of the Cuban quota, should have the duties paid on such sugar before the first of January 1935;

Whereas, in order to facilitate the shipment of sugar to the United States it is desirable to set forth further clarifying provisions: Therefore be it

*Resolved:*

1. That it is not necessary to ship the sugars authorized under Decree Law, No. 644 with the requirement that duty be paid in the United States before January 1, 1935, provided that the shipper agrees, in a form satisfactory to the National Sugar Export Corporation:

- (a) To deposit the sugars in bonded warehouse in the United States;
- (b) To declare to American Government offices their intention of keeping such sugars in bonded warehouse until after December 31 unless duty payment is made thereon; and
- (c) To declare to American Government offices their wish that such sugars be charged to Cuba's 1934 quota.

## EXHIBIT 4

### THE PRICE OF SUGAR IN THE UNITED STATES DURING 1934

This chart depicts the price of sugar at various stages in the chain of distribution from mill to ultimate consumer. Reading down from top to bottom, the following series are shown: The retail price of refined sugar; the basic price charged at New York by refiners (which runs a little lower than a true wholesale price quotation for refined cane sugar but somewhat higher than beet sugar prices), both with and without the processing tax; the price of raw sugar within the customs boundary of the United States, which may be either sugar produced in the duty-free insular areas (Hawaii, Puerto Rico, or the Philippine Islands) or in Cuba, being taken on a duty-paid basis in the latter case; the price of imported raw sugar (practically all from Cuba) immediately outside of the customs boundary, referred to as "cost and freight" basis; and the price of sugar on the New York Coffee and Sugar Exchange, which under the terms of the No. 1 contract is mainly Cuban sugar in bonded warehouses. In addition to prices in the United States there is also shown for comparative purposes the cost and freight equivalent of the price of raw sugar at London.

The compilation of a record of the daily prices of raw sugar in the United States during 1934 presented unusual difficulties. On many days widely different prices were reported for similar sugars and, particularly in November and December, the reports carried by the usual commercial sources were at considerable variance with one another. These differences arose from the unusual marketing conditions occasioned during the first half of the year by tariff changes

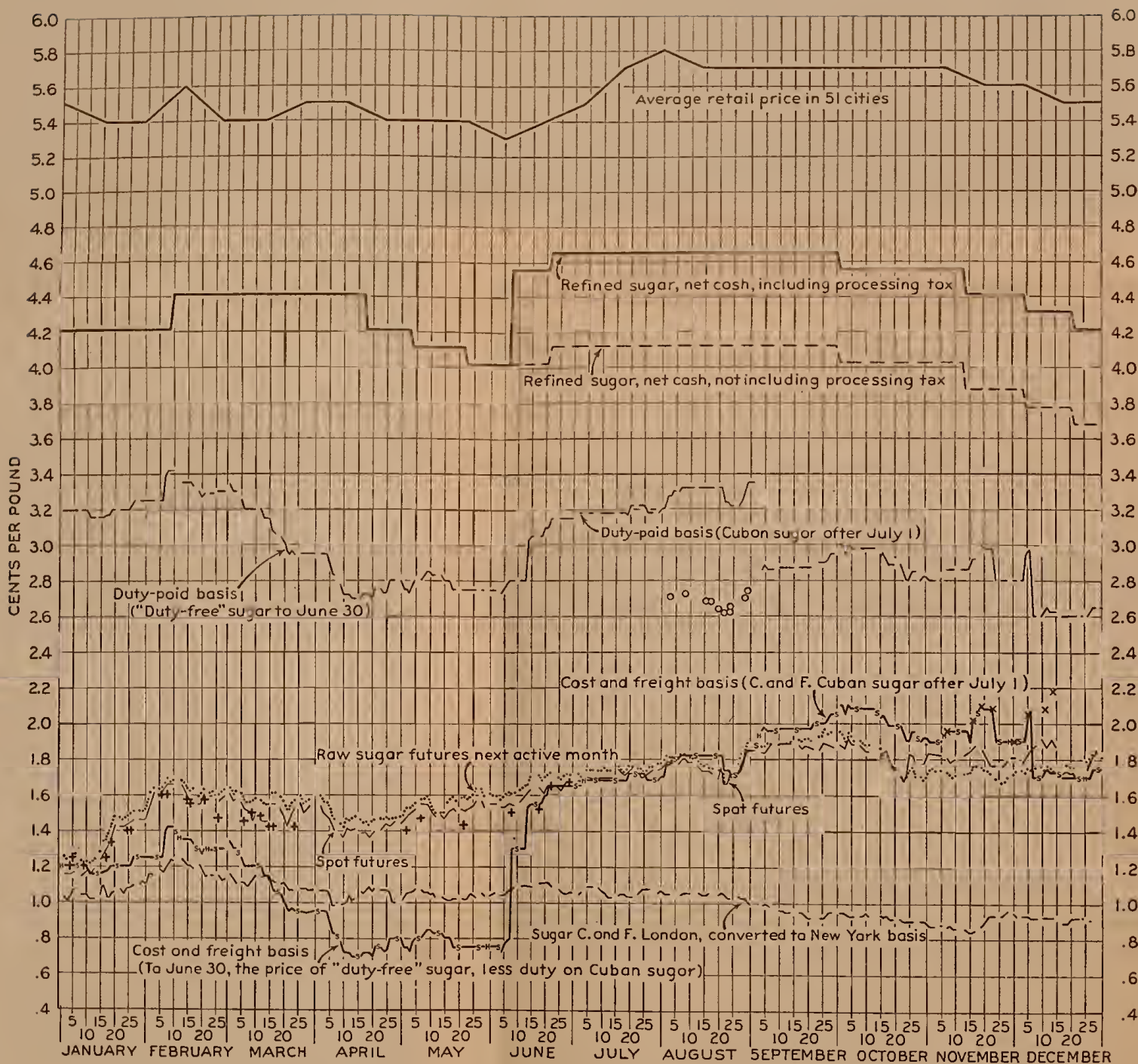




THE FOLLOWING TABLE SHOWS THE

RESULTS OF THE INVESTIGATION OF THE

| DATE | TIME | TEMPERATURE | WIND DIRECTION | WIND VELOCITY | SEA STATE | WEATHER | REMARKS |
|------|------|-------------|----------------|---------------|-----------|---------|---------|
| 1900 | 0000 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1900 | 0100 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1900 | 0200 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1900 | 0300 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1900 | 0400 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1900 | 0500 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1900 | 0600 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1900 | 0700 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1900 | 0800 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1900 | 0900 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1900 | 1000 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1900 | 1100 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1900 | 1200 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1900 | 1300 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1900 | 1400 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1900 | 1500 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1900 | 1600 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1900 | 1700 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1900 | 1800 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1900 | 1900 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1900 | 2000 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1900 | 2100 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1900 | 2200 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1900 | 2300 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1900 | 2400 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1901 | 0000 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1901 | 0100 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1901 | 0200 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1901 | 0300 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1901 | 0400 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1901 | 0500 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1901 | 0600 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1901 | 0700 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1901 | 0800 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1901 | 0900 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1901 | 1000 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1901 | 1100 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1901 | 1200 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1901 | 1300 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1901 | 1400 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1901 | 1500 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1901 | 1600 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1901 | 1700 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1901 | 1800 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1901 | 1900 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1901 | 2000 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1901 | 2100 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1901 | 2200 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1901 | 2300 | 50.0        | 000            | 0.0           | C         | B       |         |
| 1901 | 2400 | 50.0        | 000            | 0.0           | C         | B       |         |



### PRICES OF SUGAR IN THE UNITED STATES DURING 1934

Average Retail Price for 51 Cities; Refined, Duty-Paid Raw, and c. and f. Raw at New York; Spot Futures and Futures Next Active Month; and the New York c. and f. Equivalent of Raw Sugar at London

**Retail price in 51 cities:** Reported as of every other Tuesday by the United States Bureau of Labor Statistics.

**Refined sugar:** Net cash at New York. From New York Journal of Commerce. Shown both with and without the processing tax of 0.535 cent per pound of refined sugar, which went into effect on June 8.

**Raw, duty-paid basis:** During the first 6 months of 1934 the sales reported were mostly of sugars from the Philippine Islands, Puerto Rico, and Hawaii. The price of duty-free sugars is therefore taken as the representative price, duty-paid basis. Less the Cuban duty, the latter is equivalent to the price at which significant quantities of Cuban raw sugar would have sold, c. and f. basis. After July 1 the price shown is the Cuban c. and f. quotation plus the duty on 96° Cuban sugar. Sales of Cuban sugar in August for delivery in September, when the duty was reduced from 1.5 to 0.9 cents, are indicated by small circles. Breaks in the line occur on Sundays and holidays. Quotations are from the New York Journal of Commerce, except after November 20; see next note for explanation.

**Raw, c. and f. basis:** During the first 6 months the price shown is the quotation of "duty-free" sugar delivered at New York, with the duty on Cuban raw sugar subtracted. Reported sales of Cuban sugar made in this period are indicated by + (crosses). From July 1 to November 20 the graph represents the quotation for Cuban sugar, c. and f., as given in the New York Journal of Commerce. Inasmuch as current

quotations after November 20 given there and in other sources were largely nominal, a series derived in the Sugar Section of the Agricultural Adjustment Administration from available reports of actual sales is substituted. Sales ex-stores during the period in question are marked X. Sundays and holidays are marked S and H, respectively. One other quotation not taken from the Journal of Commerce is the price of 1.96 cents shown for November 7, which was reported by several other publications although not by the New York Journal of Commerce.

**Futures:** Closing quotations from the New York Journal of Commerce. The delivery months shown as spot position are as follows: From January 2 to 15, January delivery; from January 16 to March 15, March delivery; from March 16 to May 15, May delivery; from May 16 to July 13, July delivery; from July 16 to September 14, September delivery; from September 17 to October 15, October delivery; from October 16 to December 15, December delivery; and from December 17 to December 31, January 1935 delivery. The delivery months shown in the position of next active month are: From January 2 to 15, March delivery; from January 16 to March 15, May delivery; and so forth.

**Raw, c. and f. London:** From Facts About Sugar and New York Journal of Commerce.

SUGAR SECTION, AGRICULTURAL ADJUSTMENT ADMINISTRATION



in prospect, and during the latter half of the year by the Cuban exports control, the Cuban Reciprocity Treaty, and the special October 4 contract between the Cuban Sugar Stabilization Institute and American refiners.

In the past, the United States raw sugar market during the early part of the year used to be influenced largely by heavy arrivals from Cuba. But in the first half of 1934, Cuban sugars, in anticipation of higher cost and freight prices after the tariff change in June, were held off the market; while sugars from duty-free areas, in anticipation of lower duty-paid basis prices, were sold in large volume. As a consequence, the price of the great bulk of raw sugar was that of duty-free sugar, although at the same time small quantities of Cubas were sold at a much higher level. Thus, until July, the price of raws, cost and freight basis, is this duty-paid basis price less the Cuban duty, because if Cuban sugars had been sold in important amounts they would have had to meet the competition of duty-frees at the price of the latter. Reported sales of Cubas during the first half of the year are shown by crosses.

Again after July, when the realization gained ground that another change in the duty on Cuban sugar would take effect in September, a dual price market once more appeared. The second occasion differed from the first in that sugar from one source—namely, Cuba—sold at prices differing by 60 points, although delivery dates differed by only a few days. Particularly during the month of August, with some sales made on a 1.5-cent duty-paid basis and others made on a 0.9-cent duty-paid basis, the question of what actually was the ruling price could hardly be answered in a determinate manner. Sales of Cuban sugar during August for September delivery are indicated on the chart by small circles. There is little doubt that after August 15 they are the most accurate guide to the price which most of the trade had in mind during the period August 15–30 as the ruling market price of raw sugar, duty-paid basis.

Again during November the unprecedented distinction made between sugar for December-melt and January-melt brought new confusion to the price situation. December-melt was valued more highly over January-melt sugar than the difference in carrying charges warranted. During the latter part of the month, January-melt became spot-position sugar along with December-melt, for from 2 to 4 weeks of time generally elapses between arrival and melting, and under the accepted definition of spot position another 4 weeks is allowed between date of sale and date of arrival. From November 20 to 28 a large number of sales in considerable volume were made with December-melt sugar at 2.185 in combination with January-melt at 1.60, 1.65, and 1.70 cents per pound, averaging close to 1.92 cents. A sale of sugar from warehouse made on the 23d at 2.08 is therefore taken as representative of the price for November 20, 21, and 22. For the remainder of November the price of 1.90 at which a sale was made ex-store on the 30th is taken as representative.

In the next month (December), when January-melt sugars constituted spot position, most of the commercial price-reporting sources (e. g. Lamborn Sugar Market Report and Journal of Commerce) carried the purely nominal quotations of a few scattered sales ex-warehouse and the so-called "official Cuban price" as the daily price, despite the fact that large quantities of January-melt sugar were being sold at much lower levels. Since, as explained above, the latter constituted the bulk of the ordinary sugar of commerce in spot position, the price of January-melt is taken as the ruling quotation.

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## EXHIBIT 5

### PRICES OF RAW AND REFINED SUGAR, 1934

This record of daily prices of raw and refined sugar was obtained from the following sources:

Duty frees, duty-paid basis: January 1 to October 31, from the New York Journal of Commerce. During November and December duty-free sugars were sold for 1935 use only. The daily price quotations during these months represent actual sales of duty-free sugar. In case no sale was reported on any day, the price quoted is of the last reported sale.

Cuban cost and freight New York: January and February based on actual sales of Cuban raw sugar as reported by Willett & Gray, and W. H. Edgar & Son. March to December from New York Journal of Commerce, except as noted. On days when no sales were reported the price is of the last reported sale. For ex-



ample, the price from January 26 to February 5 was established by a sale at 1.40 on January 26.

Cuban cost and freight. London market, New York basis: From Facts about Sugar and the New York Journal of Commerce.

Refined net cash: Refiners' basis price less 2 percent. Basis price quotations from the New York Journal of Commerce.

Average retail price: Average of the retail prices of sugar in 51 representative cities in the United States as of every other Tuesday, compiled by the Bureau of Labor Statistics.

Futures quotations: From the New York Journal of Commerce. The delivery months shown as spot position are as follows: From January 2 to 15, January delivery; from January 16 to March 15, March delivery; from March 16 to May 15, May delivery; from May 16 to July 13, July delivery; from July 16 to September 14, September delivery; from September 17 to October 15, October delivery; from October 16 to December 15, December delivery; and from December 17 to December 31, January 1935 delivery. The delivery months shown in the position of next active month are: From January 2 to 15, March delivery; from January 16 to March 15, May delivery, etc.

*Prices of raw and refined sugar, 1934*

[Cents per pound]

| Date         | Duty free, duty-paid basis | Cuban cost and freight, New York | Cuban cost and freight, London market, New York basis | Refined net cash | Average retail price | Future quotations |              |
|--------------|----------------------------|----------------------------------|---|------------------|----------------------|-------------------|--------------|
|              |                            |                                  |   |                  |                      | Spot              | Next distant |
| Jan. 2.....  | 3.20                       | 1.20                             | 1.03  | 4.214            | 5.5                  | 1.16              | 1.26         |
| Jan. 3.....  | 3.20                       | 1.20                             | 1.01  | 4.214            | -----                | 1.14              | 1.23         |
| Jan. 4.....  | 3.20                       | 1.20                             | 1.02  | 4.214            | -----                | 1.16              | 1.26         |
| Jan. 5.....  | 3.20                       | 1.25                             | 1.07  | 4.214            | -----                | 1.15              | 1.24         |
| Jan. 6.....  | 3.20                       | 1.20                             | 1.07  | 4.214            | -----                | 1.17              | 1.27         |
| Jan. 8.....  | 3.20                       | 1.20                             | 1.04  | 4.214            | -----                | 1.14              | 1.23         |
| Jan. 9.....  | 3.20                       | 1.20                             | 1.04  | 4.214            | -----                | 1.16              | 1.21         |
| Jan. 10..... | 3.20                       | 1.20                             | 1.04  | 4.214            | -----                | 1.17              | 1.22         |
| Jan. 11..... | 3.16                       | 1.20                             | 1.02  | 4.214            | -----                | 1.16              | 1.22         |
| Jan. 12..... | 3.16                       | 1.20                             | 1.02  | 4.214            | -----                | 1.16              | 1.22         |
| Jan. 13..... | 3.16                       | 1.20                             | 1.02  | 4.214            | -----                | 1.19              | 1.24         |
| Jan. 15..... | 3.16                       | 1.20                             | 1.04  | 4.214            | -----                | 1.24              | 1.28         |
| Jan. 16..... | 3.16                       | 1.20                             | 1.09  | 4.214            | 5.4                  | 1.26              | 1.34         |
| Jan. 17..... | 3.17                       | 1.25                             | 1.05  | 4.214            | -----                | 1.28              | 1.34         |
| Jan. 18..... | 3.17                       | 1.25                             | 1.02  | 4.214            | -----                | 1.33              | 1.39         |
| Jan. 19..... | 3.20                       | 1.33                             | 1.05  | 4.214            | -----                | 1.37              | 1.42         |
| Jan. 20..... | 3.20                       | 1.33                             | 1.06  | 4.214            | -----                | 1.43              | 1.48         |
| Jan. 22..... | 3.20                       | 1.33                             | 1.07  | 4.214            | -----                | 1.42              | 1.47         |
| Jan. 23..... | 3.20                       | 1.33                             | 1.05  | 4.214            | -----                | 1.42              | 1.46         |
| Jan. 24..... | 3.20                       | 1.33                             | 1.07  | 4.214            | -----                | 1.43              | 1.47         |
| Jan. 25..... | 3.20                       | 1.40                             | 1.08  | 4.214            | -----                | 1.42              | 1.48         |
| Jan. 26..... | 3.23                       | 1.40                             | 1.08  | 4.214            | -----                | 1.45              | 1.50         |
| Jan. 27..... | 3.25                       | 1.40                             | 1.10  | 4.214            | -----                | 1.46              | 1.51         |
| Jan. 29..... | 3.25                       | 1.40                             | 1.10  | 4.214            | -----                | 1.46              | 1.51         |
| Jan. 30..... | 3.25                       | 1.40                             | 1.12  | 4.214            | 5.4                  | 1.46              | 1.51         |
| Jan. 31..... | 3.25                       | 1.40                             | 1.10  | 4.214            | -----                | 1.46              | 1.51         |
| Feb. 1.....  | 3.25                       | 1.40                             | 1.15  | 4.214            | -----                | 1.51              | 1.57         |
| Feb. 2.....  | 3.25                       | 1.40                             | 1.16  | 4.214            | -----                | 1.56              | 1.61         |
| Feb. 3.....  | 3.25                       | 1.40                             | 1.15  | 4.214            | -----                | 1.61              | 1.64         |
| Feb. 5.....  | 3.25                       | 1.40                             | 1.18  | 4.214            | -----                | 1.59              | 1.63         |
| Feb. 6.....  | 3.25                       | 1.60                             | 1.17  | 4.214            | -----                | 1.62              | 1.64         |
| Feb. 7.....  | 3.39                       | 1.60                             | 1.19  | 4.214            | -----                | 1.63              | 1.65         |
| Feb. 8.....  | 3.42                       | 1.60                             | 1.21  | 4.214            | -----                | 1.66              | 1.69         |
| Feb. 9.....  | 3.42                       | 1.60                             | 1.24  | 4.214            | -----                | 1.65              | 1.67         |
| Feb. 10..... | 3.42                       | 1.60                             | 1.23  | 4.410            | -----                | 1.66              | 1.68         |
| Feb. 13..... | 3.35                       | 1.60                             | 1.24  | 4.410            | 5.6                  | 1.65              | 1.68         |
| Feb. 14..... | 3.35                       | 1.60                             | 1.22  | 4.410            | -----                | 1.63              | 1.67         |
| Feb. 15..... | 3.35                       | 1.57                             | 1.20  | 4.410            | -----                | 1.60              | 1.63         |
| Feb. 16..... | 3.35                       | 1.55                             | 1.20  | 4.410            | -----                | 1.57              | 1.62         |
| Feb. 17..... | 3.33                       | 1.55                             | 1.19  | 4.410            | -----                | 1.58              | 1.63         |
| Feb. 19..... | 3.30                       | 1.55                             | 1.21  | 4.410            | -----                | 1.55              | 1.59         |
| Feb. 20..... | 3.27                       | 1.55                             | 1.17  | 4.410            | -----                | 1.55              | 1.61         |
| Feb. 21..... | 3.29                       | 1.55                             | 1.14  | 4.410            | -----                | 1.60              | 1.63         |
| Feb. 23..... | 3.29                       | 1.55                             | 1.15  | 4.410            | -----                | 1.59              | 1.61         |
| Feb. 24..... | 3.29                       | 1.55                             | 1.15  | 4.410            | -----                | 1.60              | 1.62         |
| Feb. 26..... | 3.30                       | 1.47                             | 1.15  | 4.410            | -----                | 1.56              | 1.60         |
| Feb. 27..... | 3.30                       | 1.47                             | 1.12  | 4.410            | 5.4                  | 1.57              | 1.61         |
| Feb. 28..... | 3.30                       | 1.47                             | 1.13  | 4.410            | -----                | 1.59              | 1.63         |

## Prices of raw and refined sugar, 1934—Continued

(Cents per pound)

| Date    | Duty<br>freees,<br>duty-<br>paid<br>basis | Cuban<br>cost and<br>freight,<br>New<br>York | Cuban<br>cost and<br>freight,<br>London<br>market,<br>New<br>York<br>basis | Refined<br>net cash | Average<br>retail<br>price | Future quotations |                 |
|---------|---|--|--|---------------------|----------------------------|-------------------|-----------------|
|         |   |  |  |                     |                            | Spot              | Next<br>distant |
| Mar. 1  | 3.34                                      | 1.47   | 1.16   | 4.410               |                            | 1.60              | 1.64            |
| Mar. 2  | 3.30                                      | 1.47   | 1.13   | 4.410               |                            | 1.57              | 1.61            |
| Mar. 3  | 3.30                                      | 1.47   | 1.10   | 4.410               |                            | 1.58              | 1.62            |
| Mar. 5  | 3.25                                      | 1.47   | 1.11   | 4.410               |                            | 1.56              | 1.61            |
| Mar. 6  | 3.20                                      | 1.47   | 1.11   | 4.410               |                            | 1.53              | 1.56            |
| Mar. 7  | 3.20                                      | 1.47   | 1.09   | 4.410               |                            | 1.51              | 1.56            |
| Mar. 8  | 3.20                                      | 1.47   | 1.10   | 4.410               |                            | 1.51              | 1.56            |
| Mar. 9  | 3.20                                      | 1.47   | 1.12   | 4.410               |                            | 1.45              | 1.56            |
| Mar. 10 | 3.20                                      | 1.47   | 1.15   | 4.410               |                            | 1.49              | 1.58            |
| Mar. 12 | 3.20                                      | 1.47   | 1.14   | 4.410               |                            | 1.46              | 1.57            |
| Mar. 13 | 3.15                                      | 1.48   | 1.15   | 4.410               | 5.4                        | 1.45              | 1.55            |
| Mar. 14 | 3.15                                      | 1.48   | 1.15   | 4.410               |                            | 1.45              | 1.55            |
| Mar. 15 | 3.15                                      | 1.48   | 1.12   | 4.410               |                            | 1.45              | 1.55            |
| Mar. 16 | 3.08                                      | 1.48   | 1.12   | 4.410               |                            | 1.55              | 1.61            |
| Mar. 17 | 3.06                                      | 1.48   | 1.11   | 4.410               |                            | 1.55              | 1.61            |
| Mar. 19 | 3.05                                      | 1.48   | 1.10   | 4.410               |                            | 1.53              | 1.59            |
| Mar. 20 | 3.02                                      | 1.48   | 1.11   | 4.410               |                            | 1.50              | 1.57            |
| Mar. 21 | 2.97                                      | 1.48   | 1.09   | 4.410               |                            | 1.44              | 1.52            |
| Mar. 22 | 2.95                                      | 1.48   | 1.07   | 4.410               |                            | 1.42              | 1.52            |
| Mar. 23 | 2.97                                      | 1.48   | 1.07   | 4.410               |                            | 1.50              | 1.56            |
| Mar. 24 | 2.95                                      | 1.48   | 1.07   | 4.410               |                            | 1.52              | 1.57            |
| Mar. 26 | 2.95                                      | 1.48   | 1.08   | 4.410               |                            | 1.55              | 1.60            |
| Mar. 27 | 2.95                                      | 1.48   | 1.08   | 4.410               | 5.5                        | 1.50              | 1.55            |
| Mar. 28 | 2.95                                      | 1.48   | 1.08   | 4.410               |                            | 1.51              | 1.56            |
| Mar. 29 | 2.95                                      | 1.48   | 1.07   | 4.410               |                            | 1.53              | 1.58            |
| Mar. 30 | 2.95                                      | 1.48   | 1.07   | 4.410               |                            |                   |                 |
| Mar. 31 | 2.95                                      | 1.48   | 1.07   | 4.410               |                            |                   |                 |
| Apr. 2  | 2.95                                      | 1.48   | 1.07   | 4.410               |                            | 1.54              | 1.59            |
| Apr. 3  | 2.95                                      | 1.48   | 1.07   | 4.410               |                            | 1.49              | 1.56            |
| Apr. 4  | 2.95                                      | 1.48   | 1.07   | 4.410               |                            | 1.50              | 1.56            |
| Apr. 5  | 2.90                                      | 1.48   | 1.05   | 4.410               |                            | 1.47              | 1.54            |
| Apr. 6  | 2.83                                      | 1.48   | .98  | 4.410               |                            | 1.41              | 1.48            |
| Apr. 7  | 2.83                                      | 1.48   | .98  | 4.410               |                            | 1.40              | 1.46            |
| Apr. 9  | 2.78                                      | 1.48   | .99  | 4.410               |                            | 1.38              | 1.44            |
| Apr. 10 | 2.72                                      | 1.48   | .99  | 4.410               | 5.5                        | 1.36              | 1.42            |
| Apr. 11 | 2.72                                      | 1.48   | 1.00   | 4.410               |                            | 1.41              | 1.47            |
| Apr. 12 | 2.72                                      | 1.48   | 1.04   | 4.410               |                            | 1.40              | 1.46            |
| Apr. 13 | 2.70                                      | 1.48   | 1.01   | 4.410               |                            | 1.40              | 1.47            |
| Apr. 14 | 2.70                                      | 1.48   | 1.02   | 4.410               |                            | 1.41              | 1.48            |
| Apr. 16 | 2.70                                      | 1.48   | 1.06   | 4.410               |                            | 1.39              | 1.46            |
| Apr. 17 | 2.72                                      | 1.48   | 1.05   | 4.410               | 5.4                        | 1.40              | 1.45            |
| Apr. 18 | 2.72                                      | 1.48   | 1.07   | 4.214               |                            | 1.39              | 1.45            |
| Apr. 19 | 2.72                                      | 1.48   | 1.09   | 4.214               |                            | 1.36              | 1.43            |
| Apr. 20 | 2.70                                      | 1.48   | 1.06   | 4.214               |                            | 1.39              | 1.46            |
| Apr. 21 | 2.75                                      | 1.48   | 1.08   | 4.214               |                            | 1.40              | 1.47            |
| Apr. 23 | 2.75                                      | 1.48   | 1.07   | 4.214               |                            | 1.40              | 1.47            |
| Apr. 24 | 2.73                                      | 1.48   | 1.07   | 4.214               | 5.4                        | 1.41              | 1.47            |
| Apr. 25 | 2.73                                      | 1.48   | 1.07   | 4.214               |                            | 1.44              | 1.48            |
| Apr. 26 | 2.80                                      | 1.48   | 1.06   | 4.214               |                            | 1.43              | 1.47            |
| Apr. 27 | 2.80                                      | 1.48   | 1.00   | 4.214               |                            | 1.44              | 1.47            |
| Apr. 28 | 2.80                                      | 1.48   | 1.00   | 4.214               |                            | 1.45              | 1.47            |
| Apr. 30 | 2.80                                      | 1.48   | 1.00   | 4.214               |                            | 1.44              | 1.48            |
| May 1   | 2.75                                      | 1.48   | 1.04   | 4.214               |                            | 1.45              | 1.49            |
| May 2   | 2.75                                      | 1.48   | 1.05   | 4.214               |                            | 1.48              | 1.53            |
| May 3   | 2.73                                      | 1.48   | 1.06   | 4.214               |                            | 1.49              | 1.53            |
| May 4   | 2.78                                      | 1.48   | 1.06   | 4.116               |                            | 1.50              | 1.54            |
| May 5   | 2.80                                      | 1.48   | 1.07   | 4.116               |                            | 1.52              | 1.56            |
| May 7   | 2.80                                      | 1.48   | 1.07   | 4.116               |                            | 1.55              | 1.58            |
| May 8   | 2.82                                      | 1.48   | 1.06   | 4.116               | 5.4                        | 1.54              | 1.58            |
| May 9   | 2.85                                      | 1.48   | 1.06   | 4.116               |                            | 1.55              | 1.59            |
| May 10  | 2.85                                      | 1.48   | 1.05   | 4.116               |                            | 1.54              | 1.56            |
| May 11  | 2.83                                      | 1.48   | 1.06   | 4.116               |                            | 1.50              | 1.52            |
| May 12  | 2.83                                      | 1.48   | 1.03   | 4.116               |                            | 1.48              | 1.50            |
| May 14  | 2.83                                      | 1.48   | 1.03   | 4.116               |                            | 1.48              | 1.50            |
| May 15  | 2.80                                      | 1.48   | 1.02   | 4.116               |                            | 1.48              | 1.50            |
| May 16  | 2.80                                      | 1.48   | 1.01   | 4.116               |                            | 1.49              | 1.56            |
| May 17  | 2.80                                      | 1.48   | 1.01   | 4.116               |                            | 1.52              | 1.58            |
| May 18  | 2.75                                      | 1.48   | 1.02   | 4.116               |                            | 1.52              | 1.59            |
| May 19  | 2.75                                      | 1.48   | 1.02   | 4.116               |                            | 1.51              | 1.57            |
| May 21  | 2.75                                      | 1.48   | 1.02   | 4.116               |                            | 1.52              | 1.59            |
| May 22  | 2.75                                      | 1.48   | 1.02   | 4.116               | 5.4                        | 1.52              | 1.59            |
| May 23  | 2.75                                      | 1.48   | 1.02   | 4.018               |                            | 1.51              | 1.58            |
| May 24  | 2.75                                      | 1.48   | 1.05   | 4.018               |                            | 1.53              | 1.59            |
| May 25  | 2.75                                      | 1.48   | 1.04   | 4.018               |                            | 1.53              | 1.60            |

*Prices of raw and refined sugar, 1934—Continued*

[Cents per pound]

| Date         | Duty<br>freees,<br>duty-<br>paid<br>basis | Cuban<br>cost and<br>freight,<br>New<br>York | Cuban<br>cost and<br>freight,<br>London<br>market,<br>New<br>York<br>basis | Refined<br>net cash | Average<br>retail<br>price | Future quotations |                 |
|--------------|---|--|--|---------------------|----------------------------|-------------------|-----------------|
|              |   |  |  |                     |                            | Spot              | Next<br>distant |
| May 26.....  | 2.75                                      | 1.48   | 1.03   | 4.018               | -----                      | 1.56              | 1.63            |
| May 28.....  | 2.75                                      | 1.48   | 1.05   | 4.018               | -----                      | 1.57              | 1.64            |
| May 29.....  | 2.75                                      | 1.48   | 1.04   | 4.018               | -----                      | 1.53              | 1.59            |
| May 31.....  | 2.75                                      | 1.48   | 1.04   | 4.018               | -----                      | 1.55              | 1.61            |
| June 1.....  | 2.75                                      | 1.48   | 1.05   | 4.018               | -----                      | 1.55              | 1.60            |
| June 2.....  | 2.75                                      | 1.48   | 1.05   | 4.018               | -----                      | 1.55              | 1.60            |
| June 4.....  | 2.73                                      | 1.48   | 1.04   | 4.018               | -----                      | 1.53              | 1.58            |
| June 5.....  | 2.76                                      | 1.48   | 1.04   | 4.018               | 5.3                        | 1.53              | 1.59            |
| June 6.....  | 2.78                                      | 1.48   | 1.05   | 4.018               | -----                      | 1.54              | 1.61            |
| June 7.....  | 2.80                                      | 1.48   | 1.07   | 4.557               | -----                      | 1.55              | 1.62            |
| June 8.....  | 2.80                                      | 1.48   | 1.07   | 4.557               | -----                      | 1.54              | 1.61            |
| June 9.....  | 2.80                                      | 1.48   | 1.09   | 4.557               | -----                      | 1.54              | 1.61            |
| June 11..... | 2.80                                      | 1.48   | 1.09   | 4.557               | -----                      | 1.56              | 1.63            |
| June 12..... | 2.80                                      | 1.48   | 1.09   | 4.557               | -----                      | 1.57              | 1.64            |
| June 13..... | 2.80                                      | 1.48   | 1.09   | 4.557               | -----                      | 1.60              | 1.66            |
| June 14..... | 3.03                                      | 1.48   | 1.09   | 4.557               | -----                      | 1.60              | 1.66            |
| June 15..... | 3.05                                      | 1.48   | 1.09   | 4.557               | -----                      | 1.63              | 1.71            |
| June 16..... | 3.05                                      | 1.48   | 1.09   | 4.557               | -----                      | -----             | -----           |
| June 18..... | 3.05                                      | 1.48   | 1.11   | 4.557               | -----                      | 1.64              | 1.71            |
| June 19..... | 3.05                                      | 1.63   | 1.11   | 4.557               | 5.4                        | 1.61              | 1.68            |
| June 20..... | 3.10                                      | 1.63   | 1.11   | 4.557               | -----                      | 1.63              | 1.70            |
| June 21..... | 3.10                                      | 1.63   | 1.11   | 4.557               | -----                      | 1.63              | 1.71            |
| June 22..... | 3.15                                      | 1.68   | 1.09   | 4.655               | -----                      | 1.65              | 1.73            |
| June 23..... | 3.15                                      | 1.68   | 1.09   | 4.655               | -----                      | -----             | -----           |
| June 25..... | 3.15                                      | 1.80   | 1.08   | 4.655               | -----                      | 1.64              | 1.70            |
| June 26..... | 3.15                                      | 1.65   | 1.06   | 4.655               | -----                      | 1.62              | 1.69            |
| June 27..... | 3.15                                      | 1.65   | 1.05   | 4.655               | -----                      | 1.65              | 1.71            |
| June 28..... | 3.15                                      | 1.65   | 1.05   | 4.655               | -----                      | 1.67              | 1.72            |
| June 29..... | 3.15                                      | 1.68   | 1.06   | 4.655               | -----                      | 1.66              | 1.71            |
| June 30..... | 3.15                                      | 1.68   | 1.06   | 4.655               | -----                      | -----             | -----           |
| July 2.....  | 3.15                                      | 1.68   | 1.05   | 4.655               | -----                      | 1.66              | 1.72            |
| July 3.....  | 3.15                                      | 1.68   | 1.06   | 4.655               | 5.5                        | 1.65              | 1.70            |
| July 5.....  | 3.15                                      | 1.68   | 1.09   | 4.655               | -----                      | 1.70              | 1.74            |
| July 6.....  | 3.15                                      | 1.68   | 1.09   | 4.655               | -----                      | 1.68              | 1.74            |
| July 7.....  | 3.15                                      | 1.68   | 1.09   | 4.655               | -----                      | 1.68              | 1.74            |
| July 9.....  | 3.15                                      | 1.68   | 1.09   | 4.655               | -----                      | 1.69              | 1.74            |
| July 10..... | 3.15                                      | 1.68   | 1.07   | 4.655               | -----                      | 1.69              | 1.74            |
| July 11..... | 3.15                                      | 1.68   | 1.06   | 4.655               | -----                      | 1.70              | 1.75            |
| July 12..... | 3.15                                      | 1.68   | 1.04   | 4.655               | -----                      | 1.69              | 1.74            |
| July 13..... | 3.15                                      | 1.68   | 1.03   | 4.655               | -----                      | 1.69              | 1.74            |
| July 14..... | 3.15                                      | 1.68   | 1.03   | 4.655               | -----                      | -----             | -----           |
| July 16..... | 3.15                                      | 1.68   | 1.04   | 4.655               | -----                      | 1.74              | 1.76            |
| July 17..... | 3.15                                      | 1.68   | 1.05   | 4.655               | 5.7                        | 1.73              | 1.75            |
| July 18..... | 3.15                                      | 1.68   | 1.05   | 4.655               | -----                      | 1.71              | 1.73            |
| July 19..... | 3.17                                      | 1.67   | 1.04   | 4.655               | -----                      | 1.72              | 1.74            |
| July 20..... | 3.18                                      | 1.72   | 1.04   | 4.655               | -----                      | 1.74              | 1.76            |
| July 21..... | 3.18                                      | 1.72   | 1.04   | 4.655               | -----                      | 1.74              | 1.76            |
| July 23..... | 3.17                                      | 1.72   | 1.05   | 4.655               | -----                      | 1.72              | 1.75            |
| July 24..... | 3.18                                      | 1.72   | 1.07   | 4.655               | -----                      | 1.72              | 1.75            |
| July 25..... | 3.18                                      | 1.72   | 1.08   | 4.655               | -----                      | 1.70              | 1.73            |
| July 26..... | 3.18                                      | 1.68   | 1.08   | 4.655               | -----                      | 1.70              | 1.73            |
| July 27..... | 3.18                                      | 1.68   | 1.08   | 4.655               | -----                      | 1.73              | 1.76            |
| July 28..... | 3.18                                      | 1.68   | -----  | 4.655               | -----                      | 1.73              | 1.76            |
| July 30..... | 3.18                                      | 1.68   | 1.06   | 4.655               | -----                      | 1.74              | 1.77            |
| July 31..... | 3.18                                      | 1.70   | 1.07   | 4.655               | 5.8                        | 1.74              | 1.77            |
| Aug. 1.....  | 3.18                                      | 1.70   | 1.05   | 4.655               | -----                      | 1.76              | 1.79            |
| Aug. 2.....  | 3.18                                      | 1.77   | 1.05   | 4.655               | -----                      | 1.79              | 1.82            |
| Aug. 3.....  | 3.18                                      | 1.77   | 1.05   | 4.655               | -----                      | 1.78              | 1.81            |
| Aug. 4.....  | 3.18                                      | 1.80   | -----  | 4.655               | -----                      | 1.78              | 1.81            |
| Aug. 6.....  | 3.18                                      | 1.80   | -----  | 4.655               | -----                      | 1.77              | 1.80            |
| Aug. 7.....  | 3.18                                      | 1.82   | 1.05   | 4.655               | -----                      | 1.80              | 1.83            |
| Aug. 8.....  | 3.18                                      | 1.82   | 1.06   | 4.655               | -----                      | 1.80              | 1.83            |
| Aug. 9.....  | 3.18                                      | 1.82   | 1.06   | 4.655               | -----                      | 1.79              | 1.82            |
| Aug. 10..... | 3.32                                      | 1.82   | 1.06   | 4.655               | -----                      | 1.78              | 1.81            |
| Aug. 11..... | 3.32                                      | 1.82   | -----  | 4.655               | -----                      | 1.78              | 1.81            |
| Aug. 13..... | 3.32                                      | 1.82   | 1.06   | 4.655               | -----                      | 1.76              | 1.79            |
| Aug. 14..... | 3.32                                      | 1.82   | 1.05   | 4.655               | 5.7                        | 1.74              | 1.77            |
| Aug. 15..... | 3.32                                      | 1.82   | 1.05   | 4.655               | -----                      | 1.73              | 1.76            |
| Aug. 16..... | 3.32                                      | 1.82   | 1.05   | 4.655               | -----                      | 1.74              | 1.77            |
| Aug. 17..... | 3.32                                      | 1.82   | 1.06   | 4.655               | -----                      | 1.72              | 1.75            |
| Aug. 18..... | 3.32                                      | 1.82   | -----  | 4.655               | -----                      | 1.72              | 1.75            |
| Aug. 20..... | 3.32                                      | 1.82   | 1.05   | 4.655               | -----                      | 1.69              | 1.72            |
| Aug. 21..... | 3.32                                      | 1.82   | 1.06   | 4.655               | -----                      | 1.73              | 1.76            |



## Prices of raw and refined sugar, 1934—Continued

[Cents per pound]

| Date          | Duty free, duty-paid basis | Cuban cost and freight, New York | Cuban cost and freight, London market, New York basis | Refined net cash | Average retail price | Future quotations |              |
|---------------|----------------------------|----------------------------------|---|------------------|----------------------|-------------------|--------------|
|               |                            |                                  |   |                  |                      | Spot              | Next distant |
| Aug. 22.....  | 3.32                       | 1.74                             | 1.05  | 4.655            | -----                | 1.66              | 1.70         |
| Aug. 23.....  | 3.32                       | 1.74                             | 1.03  | 4.655            | -----                | 1.66              | 1.70         |
| Aug. 24.....  | 3.32                       | 1.72                             | 1.03  | 4.655            | -----                | 1.71              | 1.75         |
| Aug. 25.....  | 3.32                       | 1.72                             | -----   | 4.655            | -----                | 1.71              | 1.75         |
| Aug. 27.....  | 3.32                       | 1.72                             | 1.04  | 4.655            | -----                | 1.72              | 1.77         |
| Aug. 28.....  | 3.32                       | 1.75                             | 1.03  | 4.655            | 5.7                  | 1.79              | 1.83         |
| Aug. 29.....  | 2.70                       | 1.80                             | 1.03  | 4.655            | -----                | 1.78              | 1.83         |
| Aug. 30.....  | 2.75                       | 1.85                             | 1.01  | 4.655            | -----                | 1.85              | 1.89         |
| Aug. 31.....  | 2.75                       | 1.85                             | .99   | 4.655            | -----                | -----             | -----        |
| Sept. 1.....  | 2.75                       | 1.85                             | -----   | 4.655            | -----                | -----             | -----        |
| Sept. 4.....  | 2.86                       | 1.96                             | .99   | 4.655            | -----                | 1.84              | 1.87         |
| Sept. 5.....  | 2.86                       | 1.98                             | 1.00  | 4.655            | -----                | 1.83              | 1.87         |
| Sept. 6.....  | 2.86                       | 1.96                             | .99   | 4.655            | -----                | 1.86              | 1.89         |
| Sept. 7.....  | 2.86                       | 1.96                             | .98   | 4.655            | -----                | 1.87              | 1.88         |
| Sept. 8.....  | 2.86                       | 1.96                             | -----   | 4.655            | -----                | -----             | -----        |
| Sept. 10..... | 2.87                       | 1.97                             | .96   | 4.655            | -----                | 1.88              | 1.90         |
| Sept. 11..... | 2.87                       | 1.97                             | .96   | 4.655            | 5.7                  | 1.89              | 1.88         |
| Sept. 12..... | 2.87                       | 1.97                             | .95   | 4.655            | -----                | 1.89              | 1.89         |
| Sept. 13..... | 2.87                       | 1.97                             | .95   | 4.655            | -----                | 1.88              | 1.88         |
| Sept. 14..... | 2.87                       | 1.97                             | .95   | 4.655            | -----                | 1.89              | 1.89         |
| Sept. 15..... | 2.87                       | 1.97                             | -----   | 4.655            | -----                | -----             | -----        |
| Sept. 17..... | 2.87                       | 1.97                             | .95   | 4.655            | -----                | 1.88              | 1.91         |
| Sept. 18..... | 2.87                       | 1.97                             | .95   | 4.655            | -----                | 1.86              | 1.90         |
| Sept. 19..... | 2.87                       | 1.97                             | .93   | 4.655            | -----                | 1.88              | 1.92         |
| Sept. 20..... | 2.87                       | 1.97                             | .92   | 4.655            | -----                | 1.87              | 1.92         |
| Sept. 21..... | 2.87                       | 1.97                             | .92   | 4.655            | -----                | 1.86              | 1.91         |
| Sept. 22..... | 2.90                       | 2.00                             | -----   | 4.655            | -----                | -----             | -----        |
| Sept. 24..... | 2.90                       | 2.00                             | .92   | 4.655            | -----                | 1.85              | 1.93         |
| Sept. 25..... | 2.90                       | 2.00                             | .92   | 4.655            | 5.7                  | 1.89              | 1.93         |
| Sept. 26..... | 2.90                       | 2.00                             | .92   | 4.655            | -----                | 1.89              | 1.97         |
| Sept. 27..... | 2.92                       | 2.02                             | .95   | 4.655            | -----                | 1.87              | 1.94         |
| Sept. 28..... | 2.95                       | 2.05                             | .95   | 4.655            | -----                | 1.88              | 1.95         |
| Sept. 29..... | 2.95                       | 2.05                             | -----   | 4.655            | -----                | -----             | -----        |
| Oct. 1.....   | 3.00                       | 2.10                             | 0.95  | 4.557            | -----                | 1.89              | 1.96         |
| Oct. 2.....   | 3.00                       | 2.10                             | .95   | 4.557            | -----                | 1.87              | 1.94         |
| Oct. 3.....   | 2.95                       | 2.05                             | .94   | 4.557            | -----                | 1.86              | 1.89         |
| Oct. 4.....   | 3.00                       | 2.10                             | .93   | 4.557            | -----                | 1.92              | 1.95         |
| Oct. 5.....   | 2.98                       | 2.08                             | .93   | 4.557            | -----                | 1.88              | 1.91         |
| Oct. 6.....   | 2.98                       | 2.08                             | .93   | 4.557            | -----                | -----             | -----        |
| Oct. 8.....   | 2.98                       | 2.08                             | .93   | 4.557            | -----                | 1.88              | 1.91         |
| Oct. 9.....   | 2.98                       | 2.08                             | .93   | 4.557            | 5.7                  | 1.86              | 1.89         |
| Oct. 10.....  | 2.98                       | 2.08                             | .95   | 4.557            | -----                | 1.85              | 1.88         |
| Oct. 11.....  | 2.98                       | 2.08                             | .93   | 4.557            | -----                | 1.85              | 1.88         |
| Oct. 13.....  | 2.98                       | 2.08                             | -----   | 4.557            | -----                | -----             | -----        |
| Oct. 15.....  | 2.93                       | 2.03                             | .93   | 4.557            | -----                | 1.83              | 1.86         |
| Oct. 16.....  | 2.95                       | 2.05                             | .92   | 4.557            | -----                | 1.84              | 1.82         |
| Oct. 17.....  | 2.91                       | 2.01                             | .93   | 4.557            | -----                | 1.85              | 1.84         |
| Oct. 18.....  | 2.89                       | 1.99                             | .92   | 4.557            | -----                | 1.80              | 1.80         |
| Oct. 19.....  | 2.89                       | 1.99                             | .91   | 4.557            | -----                | 1.77              | 1.77         |
| Oct. 20.....  | 2.89                       | 1.99                             | .91   | 4.557            | -----                | 1.74              | 1.74         |
| Oct. 22.....  | 2.89                       | 1.99                             | .91   | 4.557            | -----                | 1.70              | 1.71         |
| Oct. 23.....  | 2.85                       | 1.95                             | .90   | 4.557            | 5.7                  | 1.68              | 1.68         |
| Oct. 24.....  | 2.80                       | 1.90                             | .90   | 4.557            | -----                | 1.70              | 1.68         |
| Oct. 25.....  | 2.80                       | 1.90                             | .90   | 4.557            | -----                | 1.79              | 1.74         |
| Oct. 26.....  | 2.85                       | 1.95                             | .90   | 4.557            | -----                | 1.83              | 1.76         |
| Oct. 27.....  | 2.85                       | 1.95                             | .90   | 4.557            | -----                | 1.79              | 1.71         |
| Oct. 29.....  | 2.80                       | 1.90                             | .90   | 4.557            | -----                | 1.78              | 1.70         |
| Oct. 30.....  | 2.82                       | 1.92                             | .90   | 4.557            | -----                | 1.77              | 1.69         |
| Oct. 31.....  | 2.82                       | 1.92                             | .89   | 4.557            | -----                | 1.81              | 1.71         |
| Nov. 1.....   | 2.63                       | 1.90                             | 0.87  | 4.557            | -----                | 1.84              | 1.74         |
| Nov. 2.....   | 2.63                       | 1.90                             | .87   | 4.557            | -----                | 1.82              | 1.75         |
| Nov. 3.....   | 2.63                       | 1.90                             | .87   | 4.557            | -----                | 1.82              | 1.74         |
| Nov. 5.....   | 2.63                       | 1.90                             | .88   | 4.557            | -----                | 1.82              | 1.74         |
| Nov. 6.....   | (1)                        | (1)                              | -----   | -----            | 5.7                  | -----             | -----        |
| Nov. 7.....   | 2.58                       | 1.96                             | .87   | 4.557            | -----                | 1.80              | 1.73         |
| Nov. 8.....   | 2.58                       | 1.96                             | .88   | 4.557            | -----                | 1.79              | 1.72         |
| Nov. 9.....   | 2.58                       | 1.96                             | .86   | 4.557            | -----                | 1.78              | 1.70         |
| Nov. 10.....  | 2.58                       | 1.96                             | .86   | 4.557            | -----                | 1.80              | 1.71         |
| Nov. 12.....  | 2.58                       | 1.96                             | -----   | 4.557            | -----                | -----             | -----        |
| Nov. 13.....  | 2.58                       | 1.96                             | .86   | 4.557            | -----                | 1.82              | 1.72         |
| Nov. 14.....  | 2.58                       | 1.96                             | .85   | 4.410            | -----                | 1.84              | 1.72         |

<sup>1</sup> Holiday in New York.<sup>2</sup> Actual sale reported by Facts About Sugar, W. H. Edgar & Son, and Willett & Gray.

## Prices of raw and refined sugar, 1934—Continued

[Cents per pound]

| Date         | Duty<br>freees,<br>duty-<br>paid<br>basis | Cuban<br>cost and<br>freight,<br>New<br>York | Cuban<br>cost and<br>freight,<br>London<br>market,<br>New<br>York<br>basis | Refined<br>net cash | Average<br>retail<br>price | Future quotations |                 |
|--------------|---|--|--|---------------------|----------------------------|-------------------|-----------------|
|              |   |  |  |                     |                            | Spot              | Next<br>distant |
| Nov. 15..... | 2.58                                      | 1.96   | .84  | 4.410               | -----                      | 1.84              | 1.73            |
| Nov. 16..... | 2.58                                      | 2.02   | .84  | 4.410               | -----                      | 1.86              | 1.75            |
| Nov. 17..... | 2.58                                      | 2.02   | .85  | 4.410               | -----                      | 1.86              | 1.76            |
| Nov. 19..... | 2.58                                      | 2.10   | .87  | 4.410               | -----                      | 1.86              | 1.76            |
| Nov. 20..... | 2.58                                      | <sup>3</sup> 2.08                            | .89  | 4.410               | 5.6                        | 1.84              | 1.74            |
| Nov. 21..... | 2.58                                      | <sup>3</sup> 2.08                            | .92  | 4.410               | -----                      | 1.80              | 1.74            |
| Nov. 22..... | 2.58                                      | <sup>3</sup> 2.08                            | .93  | 4.410               | -----                      | 1.78              | 1.73            |
| Nov. 23..... | 2.58                                      | <sup>3</sup> 2.08                            | .93  | 4.410               | -----                      | -----             | -----           |
| Nov. 24..... | 2.58                                      | <sup>3</sup> 1.90                            | .93  | 4.410               | -----                      | 1.76              | 1.69            |
| Nov. 26..... | 2.58                                      | <sup>3</sup> 1.90                            | .93  | 4.410               | -----                      | 1.75              | 1.67            |
| Nov. 27..... | 2.58                                      | <sup>3</sup> 1.90                            | .94  | 4.410               | -----                      | 1.77              | 1.68            |
| Nov. 28..... | 2.55                                      | <sup>3</sup> 1.90                            | .96  | 4.410               | -----                      | 1.80              | 1.70            |
| Nov. 30..... | 2.55                                      | 1.90   | -----  | 4.410               | -----                      | 1.81              | 1.72            |
| Dec. 1.....  | 2.55                                      | 1.90   | .93  | 4.410               | -----                      | 1.80              | 1.74            |
| Dec. 3.....  | 2.55                                      | 1.90   | .93  | 4.410               | -----                      | 1.79              | 1.74            |
| Dec. 4.....  | 2.55                                      | 1.90   | .93  | 4.410               | 5.6                        | 1.78              | 1.73            |
| Dec. 5.....  | 2.59                                      | <sup>4</sup> 2.04                            | .93  | 4.312               | -----                      | 1.84              | 1.76            |
| Dec. 6.....  | 2.59                                      | 2.07   | .92  | 4.312               | -----                      | 1.83              | 1.74            |
| Dec. 7.....  | 2.59                                      | 1.70   | .92  | 4.312               | -----                      | 1.87              | 1.75            |
| Dec. 8.....  | 2.60                                      | 1.70   | .92  | 4.312               | -----                      | 1.88              | 1.76            |
| Dec. 10..... | 2.60                                      | 1.70   | .92  | 4.312               | -----                      | 1.91              | 1.76            |
| Dec. 11..... | 2.63                                      | 1.73   | .92  | 4.312               | -----                      | 1.91              | 1.75            |
| Dec. 12..... | 2.63                                      | 1.75   | .92  | 4.312               | -----                      | 1.87              | 1.77            |
| Dec. 13..... | 2.63                                      | 1.73   | .92  | 4.312               | -----                      | 1.91              | 1.75            |
| Dec. 14..... | 2.63                                      | 1.73   | .92  | 4.312               | -----                      | 1.90              | 1.74            |
| Dec. 15..... | 2.63                                      | 1.73   | .92  | 4.312               | -----                      | 1.87              | 1.73            |
| Dec. 17..... | 2.60                                      | 1.70   | .89  | 4.312               | -----                      | 1.72              | 1.78            |
| Dec. 18..... | 2.60                                      | 1.70   | .89  | 4.312               | 5.5                        | 1.74              | 1.78            |
| Dec. 19..... | 2.60                                      | 1.70   | .89  | 4.312               | -----                      | 1.73              | 1.77            |
| Dec. 20..... | 2.60                                      | 1.70   | .92  | 4.312               | -----                      | 1.73              | 1.76            |
| Dec. 21..... | 2.60                                      | 1.70   | .92  | 4.312               | -----                      | 1.72              | 1.76            |
| Dec. 22..... | 2.60                                      | <sup>5</sup> 1.70                            | .92  | 4.214               | -----                      | 1.72              | 1.76            |
| Dec. 24..... | 2.60                                      | <sup>5</sup> 1.70                            | .92  | 4.214               | -----                      | -----             | -----           |
| Dec. 26..... | 2.60                                      | <sup>5</sup> 1.70                            | -----  | 4.214               | -----                      | 1.75              | 1.79            |
| Dec. 27..... | <sup>6</sup> 2.60                         | <sup>5</sup> 1.70                            | .91  | 4.214               | -----                      | 1.80              | 1.82            |
| Dec. 28..... | <sup>6</sup> 2.65                         | <sup>5</sup> 1.75                            | -----  | 4.214               | -----                      | 1.83              | 1.84            |
| Dec. 29..... | 2.63                                      | <sup>5</sup> 1.75                            | -----  | 4.214               | -----                      | 1.85              | 1.85            |
| Dec. 31..... | 2.65                                      | <sup>5</sup> 1.75                            | -----  | 4.214               | -----                      | 1.81              | 1.87            |

<sup>3</sup> The price of 2.08 cents for November 20-23 was established by a sale from warehouse on the 20th, and the price of 1.90 for November 24-30 by one reported as of the 30th. The price of 1.90 was projected back to November 24 because the average price of most of the sugar reported sold during the last few days was 1.92 cents, for sales consisted mostly of combinations of December-melt sugar at 2.185 with January-melt at 1.65 cents. January-melt is included as spot position because the trade in defining spot position generally allows for a lag of 1 month between date of sale and date of arrival, and because there usually is a lag of between 2 and 4 weeks between date of arrival and date of melting.

<sup>4</sup> Average of 2 and 2.075, at which prices sales ex-stores in approximately equal amounts were reported.

<sup>5</sup> During the period Dec. 21-26, no sales of Cuban sugar were reported but on several days it was reported that sellers were asking 1.75 and that buyers were interested at 1.70 (see New York Journal of Commerce, Dec. 22, 24, 26, 27). On Dec. 28 buyers raised the offered price to 1.73, while sellers maintained the 1.75 asking.

<sup>6</sup> Reported in Willett & Gray; other sources report this sale on the 26th.

## EXHIBIT 6

PRICE QUOTATIONS FOR SUGAR FUTURES DURING THE MONTHS OF  
NOVEMBER AND DECEMBER, 1920-34

The attached record of quotations for sugar futures in the spot and next distant positions during the months of November and December, 1920-34 was compiled from the following sources:

1. For the years 1920 and 1921, weekly closing quotations as reported by Willett and Gray's Weekly Statistical Sugar Trade Journal.

2. For the years 1922 to 1934, daily closing quotations as reported by Facts About Sugar.

For each year, the spot and next distant positions are as follows:

|                                      | Spot                  | Next distant      |
|--------------------------------------|-----------------------|-------------------|
| From November 1 to December 15.....  | December delivery..   | January delivery. |
| From December 15 to December 31..... | January delivery..... | March delivery.   |

*Sugar futures prices during the months of November and December 1933-34*

[Cents per pound]

| Day of month | 1934      |              |           |              | 1933      |              |                   |              |
|--------------|-----------|--------------|-----------|--------------|-----------|--------------|-------------------|--------------|
|              | November  |              | December  |              | November  |              | December          |              |
|              | Spot      | Next distant | Spot      | Next distant | Spot      | Next distant | Spot              | Next distant |
| 1.....       | 1.84      | 1.74-1.75    | 1.80-1.81 | 1.74         | 1.28      | 1.27-1.28    | <sup>1</sup> 1.19 | 1.23-1.24    |
| 2.....       | 1.82-1.84 | 1.75-1.76    |           |              | 1.33      | 1.32-1.33    | <sup>1</sup> 1.20 | 1.22-1.23    |
| 3.....       | 1.82-1.83 | 1.74-1.75    | 1.79-1.80 | 1.74         | 1.31-1.32 | 1.31         |                   |              |
| 4.....       |           |              | 1.78-1.79 | 1.73-1.74    |           |              | 1.18-1.20         | 1.23-1.24    |
| 5.....       | 1.82-1.83 | 1.74-1.75    | 1.84      | 1.76-1.77    |           |              | <sup>1</sup> 1.21 | 1.25         |
| 6.....       |           |              | 1.83-1.84 | 1.74-1.75    | 1.29      | 1.29         | <sup>1</sup> 1.19 | 1.22-1.23    |
| 7.....       | 1.80      | 1.73-1.74    | 1.87-1.90 | 1.75-1.76    |           |              | 1.17              | 1.20-1.21    |
| 8.....       | 1.79-1.81 | 1.72-1.73    | 1.88-1.91 | 1.76-1.77    | 1.30      | 1.30         | <sup>1</sup> 1.15 | 1.16-1.18    |
| 9.....       | 1.78-1.80 | 1.70-1.71    |           |              | 1.30-1.31 | 1.31         | 1.29-1.30         | 1.19-1.20    |
| 10.....      | 1.80-1.82 | 1.71-1.71    |           |              | 1.26-1.27 | 1.25-1.26    |                   |              |
| 11.....      |           |              | 1.91      | 1.76-1.77    | 1.24      | 1.23-1.24    | <sup>1</sup> 1.17 | 1.18-1.20    |
| 12.....      |           |              | 1.91      | 1.75-1.76    |           |              | 1.16-1.17         | 1.16-1.18    |
| 13.....      | 1.82-1.83 | 1.72         | 1.87      | 1.77-1.78    | 1.16-1.17 | 1.18         | 1.16              | 1.15-1.16    |
| 14.....      | 1.84      | 1.72         | 1.91      | 1.75         | 1.13      | 1.16         | <sup>1</sup> 1.14 | 1.14-1.15    |
| 15.....      | 1.83-1.85 | 1.72-1.73    | 1.90      | 1.74-1.75    | 1.10      | 1.13-1.14    | 1.16              | 1.16-1.17    |
| 16.....      | 1.86-1.87 | 1.76         | 1.87-1.90 | 1.73-1.74    | 1.18-1.19 | 1.22         | 1.16              | 1.20         |
| 17.....      | 1.88      | 1.76-1.77    |           |              | 1.12      | 1.15         |                   |              |
| 18.....      |           |              | 1.72-1.73 | 1.78         | 1.12      | 1.16         | 1.13-1.14         | 1.19-1.20    |
| 19.....      | 1.86      | 1.76-1.77    | 1.74      | 1.78-1.79    |           |              | 1.12              | 1.18         |
| 20.....      | 1.84      | 1.74         | 1.73-1.74 | 1.77-1.78    | 1.09      | 1.12-1.13    | 1.12-1.13         | 1.17-1.18    |
| 21.....      | 1.80      | 1.74-1.75    | 1.73      | 1.76-1.77    | 1.11-1.12 | 1.15-1.16    | 1.11              | 1.18-1.19    |
| 22.....      | 1.78      | 1.73-1.75    | 1.72-1.73 | 1.75-1.76    | 1.11      | 1.15         | 1.14              | 1.21-1.22    |
| 23.....      | 1.77-1.78 | 1.70-1.72    | 1.76      | 1.76         | 1.09-1.10 | 1.15-1.16    |                   |              |
| 24.....      | 1.76-1.77 | 1.69-1.70    | 1.74-1.75 | 1.77-1.78    | 1.11-1.12 | 1.17         |                   |              |
| 25.....      |           |              |           |              | 1.16      | 1.20-1.21    |                   |              |
| 26.....      | 1.75-1.76 | 1.67-1.68    | 1.75-1.76 | 1.79         |           |              | 1.10              | 1.18         |
| 27.....      | 1.77-1.78 | 1.68-1.70    | 1.80      | 1.82         | 1.19-1.21 | 1.23-1.24    | 1.15              | 1.23         |
| 28.....      | 1.80-1.81 | 1.70-1.71    | 1.83-1.85 | 1.84         | 1.17-1.18 | 1.22-1.23    | 1.16-1.18         | 1.24         |
| 29.....      |           |              | 1.85-1.87 | 1.85-1.87    | 1.15      | 1.18         | 1.19              | 1.28         |
| 30.....      | 1.81      | 1.72-1.73    |           |              |           |              |                   |              |
| 31.....      |           |              | 1.81-1.83 | 1.87         |           |              |                   |              |

<sup>1</sup> Quotation is nominal.



*Sugar futures prices during the months of November and December, 1931-32*

[Cents per pound]

| Day of month | 1932      |              |           |              | 1931      |              |           |             |
|--------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|-------------|
|              | November  |              | December  |              | November  |              | December  |             |
|              | Spot      | Next distant | Spot      | Next distant | Spot      | Next distant | Spot      | Nex distant |
| 1            | 0.98-0.99 | 0.96         | 0.81-0.82 | 0.70-0.71    |           |              | 1.12-1.13 | 1.10        |
| 2            | 1.01      | 0.97-0.98    | 0.69-0.72 | 0.67-0.68    | 1.31      | 1.28         | 1.11-1.12 | 1.10-1.11   |
| 3            | 1.04-1.05 | 1.00         | 0.72-0.74 | 0.73         |           |              | 1.10      | 1.09-1.10   |
| 4            | 1.04-1.05 | 1.00         |           |              | 1.32      | 1.28         | 1.10      | 1.08        |
| 5            | 1.04-1.05 | 1.00         | 0.71-0.73 | 0.72-0.73    | 1.31      | 1.29         | 1.08      | 1.08-1.09   |
| 6            |           |              | 0.71-0.73 | 0.72-0.73    | 1.29      | 1.27         |           |             |
| 7            | 1.05-1.06 | 1.01         | 0.71-0.74 | 0.73         | 1.33      | 1.31         | 1.08-1.10 | 1.08-1.09   |
| 8            |           |              | 0.71-0.75 | 0.74         |           |              | 1.04-1.06 | 1.05-1.06   |
| 9            | 1.04      | 1.00         | 0.72      | 0.74-0.75    | 1.32      | 1.30         | 1.04-1.05 | 1.05        |
| 10           | 1.07      | 1.03-1.04    | 0.71-0.75 | 0.75         | 1.32      | 1.29         | 1.02-1.03 | 1.03-1.04   |
| 11           | 1.07-1.08 | 1.02-1.03    |           |              | 1.31      | 1.29         | 1.01-1.03 | 1.02-1.03   |
| 12           | 1.08      | 1.03-1.04    | 0.71      | 0.76-0.77    | 1.31      | 1.28         | 1.05-1.06 | 1.07-1.08   |
| 13           |           |              | 0.74      | 0.74-0.75    | 1.29-1.30 | 1.29         |           |             |
| 14           | 1.05      | 1.00         | 0.74      | 0.71-0.73    | 1.26      | 1.23         | 1.08-1.10 | 1.10-1.12   |
| 15           | 1.00-1.01 | 0.96-0.97    | 0.68-0.74 | 0.69-0.70    |           |              | 1.05-1.06 | 1.07-1.08   |
| 16           | 0.97      | 0.92         | 0.67      |              | 1.27      | 1.25         | 1.04-1.05 | 1.07-1.08   |
| 17           | 0.98      | 0.91-0.92    | 0.67-0.68 | 0.72         | 1.25      | 1.23         | 1.05      | 1.10        |
| 18           | 0.97-0.98 | 0.92         |           |              | 1.23-1.24 | 1.22-1.23    | 1.00-1.01 | 1.05-1.06   |
| 19           | 0.98-0.99 | 0.92-0.93    | 0.68      | 0.72-0.73    | 1.23      | 1.22         | 0.99      | 1.05-1.06   |
| 20           |           |              | 0.67-0.68 | 0.74         | 1.22      | 1.19-1.20    |           |             |
| 21           | 0.94      | 0.89-0.91    | 0.65      | 0.72         | 1.19-1.20 | 1.18         | 1.01-1.02 | 1.06-1.07   |
| 22           | 0.89-0.90 | 0.86-0.87    | 0.66      | 0.72         |           |              | 1.02-1.03 | 1.06-1.07   |
| 23           | 0.89      | 0.86         | 0.66      | 0.72-0.73    | 1.16      | 1.15-1.16    | 1.02      | 1.06-1.07   |
| 24           |           |              |           |              | 1.14      | 1.15-1.16    | 1.03-1.04 | 1.09        |
| 25           | 0.88-0.89 | 0.84-0.85    |           |              | 1.11-1.12 | 1.11-1.13    |           |             |
| 26           | 0.87      | 0.82         |           |              |           |              |           |             |
| 27           |           |              | 0.65      | 0.71-0.72    | 1.08-1.09 | 1.07-1.08    |           |             |
| 28           | 0.78-0.79 | 0.77         | 0.65-0.66 | 0.71         | 1.09      | 1.09         | 1.04      | 1.11        |
| 29           | 0.77-0.78 | 0.75         | 0.65-0.67 | 0.71         |           |              | 1.08-1.09 | 1.13        |
| 30           | 0.71-0.72 | 0.72-0.73    | 0.66      | 0.71-0.72    | 1.06-1.10 | 1.08         | 1.08-1.09 | 1.13-1.14   |
| 31           |           |              |           |              |           |              | 1.10-1.11 | 1.15        |

*Sugar futures prices during the months of November and December, 1929-30*

[Cents per pound]

| Day of month | 1930      |              |           |              | 1929      |              |           |              |
|--------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|
|              | November  |              | December  |              | November  |              | December  |              |
|              | Spot      | Next distant | Spot      | Next distant | Spot      | Next distant | Spot      | Next distant |
| 1            | 1.43-1.44 | 1.45         | 1.35      | 1.40         | 2.04-2.05 | 2.05         |           |              |
| 2            |           |              | 1.32      | 1.34         |           |              | 1.92      | 1.97         |
| 3            | 1.43      | 1.45         | 1.29-1.30 | 1.30-1.31    |           |              | 1.90      | 1.98         |
| 4            |           |              | 1.32      | 1.33         | 2.09      | 2.09         | 1.90      | 1.95         |
| 5            | 1.38      | 1.41-1.42    | 1.33      | 1.34         |           |              | 1.84      | 1.94         |
| 6            | 1.44      | 1.45         | 1.31      | 1.32-1.33    | 2.05      | 2.04         | 1.86      | 1.95-1.96    |
| 7            | 1.41      | 1.44-1.45    |           |              | 1.98-1.99 | 1.99         | 1.85      | 1.96         |
| 8            | 1.39      | 1.42         | 1.28      | 1.31         | 1.97      | 1.98-1.99    |           |              |
| 9            |           |              | 1.27      | 1.31-1.32    | 1.95      | 1.98         | 1.88      | 1.95         |
| 10           | 1.40      | 1.44         | 1.30      | 1.33-1.34    |           |              | 1.90      | 1.97-1.98    |
| 11           | 1.40-1.42 | 1.45         | 1.30      | 1.33-1.34    | 1.94      | 1.96-1.97    | 1.93      | 2.01         |
| 12           | 1.42      | 1.47         | 1.25      | 1.27         | 1.96      | 1.96         | 1.98      | 2.00         |
| 13           | 1.40-1.41 | 1.46         | 1.27      | 1.30         | 1.95      | 1.1.97       | 1.97      | 2.02-2.03    |
| 14           | 1.40-1.41 | 1.46-1.47    |           |              | 1.99-2.00 | 2.00         | 1.97      | 2.02         |
| 15           | 1.40      | 1.45         | 1.18      | 1.21         | 2.02      | 2.04         |           |              |
| 16           |           |              | 1.17      | 1.26         | 2.03      | 2.04         | 1.93      | 1.90         |
| 17           | 1.35      | 1.41         | 1.24      | 1.33         |           |              | 1.95      | 2.06         |
| 18           | 1.30-1.31 | 1.36         | 1.22-1.23 | 1.32-1.33    | 2.00      | 2.02-2.03    | 1.92      | 2.03         |
| 19           | 1.25      | 1.31         | 1.18      | 1.28         | 1.96      | 2.00         | 1.90      | 2.01-2.02    |
| 20           | 1.30      | 1.36         | 1.15-1.16 | 1.25         | 1.95      | 1.98-1.99    | 1.87-1.88 | 2.00         |
| 21           | 1.34      | 1.40         |           |              | 1.98      | 2.02         | 1.87      | 2.00         |
| 22           | 1.33      | 1.38         | 1.14-1.15 | 1.24-1.25    | 2.01-2.02 | 2.05         |           |              |
| 23           |           |              | 1.15      | 1.25         | 1.98      | 2.02         | 1.85      | 1.98         |
| 24           | 1.35      | 1.40         | 1.10-1.11 | 1.19-1.20    |           |              | 1.85      | 1.98         |
| 25           | 1.31      | 1.39         |           |              | 1.91-1.92 | 2.01         |           |              |
| 26           | 1.32      | 1.37         | 1.13      | 1.20         | 1.93-1.94 | 2.01         | 1.87      | 2.00-2.01    |
| 27           |           |              | 1.09      | 1.16         | 1.95      | 2.02-2.03    | 1.87      | 2.01         |
| 28           | 1.35      | 1.41         |           |              |           |              | 1.88      | 2.00         |
| 29           | 1.35      | 1.41         | 1.07      | 1.15         | 1.95      | 2.02         |           |              |
| 30           |           |              | 1.13      | 1.21         | 1.95      | 2.02         | 1.88      | 1.97         |
| 31           |           |              | 1.14      | 1.22         |           |              | 1.91      | 1.98         |

<sup>1</sup> Quotation is nominal.

*Sugar futures prices during the months of November and December, 1927-28*

[Cents per pound]

| Day of month | 1928      |              |          |              | 1927      |              |           |              |
|--------------|-----------|--------------|----------|--------------|-----------|--------------|-----------|--------------|
|              | November  |              | December |              | November  |              | December  |              |
|              | Spot      | Next distant | Spot     | Next distant | Spot      | Next distant | Spot      | Next distant |
| 1            | 1.93      | 1.94         | 1 2.09   | 2.10         | 2.82-2.83 | 2.85         | 1 2.75    | 2.80         |
| 2            | 1.93      | 1.94         |          |              | 2.82      | 2.86-2.87    | 1 2.81    | 1 2.83       |
| 3            |           |              | 1 2.13   | 2.10         | 2.83      | 2.86         | 1 2.81    | 1 2.83       |
| 4            |           |              | 2.09     | 2.09         | 2.82      | 2.86         |           |              |
| 5            | 1.94      | 1.95         | 2.10     | 2.07         | 2.84      | 1 2.87       | 1 2.80    | 2.79         |
| 6            |           |              | 2.11     | 2.06         |           |              | 1 2.78    | 2.80         |
| 7            | 1.96      | 1 1.97       | 1 2.09   | 1 2.05       | 2.85      | 2.89-2.90    | 2.81      | 2.81         |
| 8            | 2.01      | 2.01-2.02    | 1 2.07   | 1 2.04       |           |              | 1 2.80    | 2.84         |
| 9            | 1 2.05    | 2.05         |          |              | 2.90      | 2.93         | 2.82      | 2.84         |
| 10           |           |              | 1 2.08   | 2.03         | 2.88      |              | 1 2.82    | 2.86         |
| 11           |           |              | 2.08     | 2.04-2.05    | 2.87-2.88 | 2.89-2.90    |           |              |
| 12           | 2.02      | 2.03-2.04    | 2.10     | 2.06         | 2.89      | 2.92         | 1 2.80    | 2.83         |
| 13           | 1.99      | 2.00         | 2.09     | 2.04         |           |              | 1 2.79    | 2.80         |
| 14           | 2.00      | 2.01         | 1 2.08   | 2.05         | 2.91      | 2.93-2.94    | 1 2.80    | 2.83         |
| 15           | 1.97-1.98 | 2.00         | 2.09     | 2.05         | 2.90-2.91 | 2.93         | 1 2.80    | 2.83-2.84    |
| 16           | 1.99      | 2.02         |          |              | 2.89      | 2.92         | 2.85      | 2.86-2.87    |
| 17           |           |              | 1 2.07   | 1 2.13       | 2.88-2.89 | 2.91         | 2.83      | 2.86         |
| 18           |           |              | 2.05     | 2.11         | 2.86      | 2.90-2.91    |           |              |
| 19           | 2.04-2.05 | 2.06         | 2.04     | 2.11         | 2.84      | 2.88         | 2.81      | 2.85-2.86    |
| 20           | 2.07-2.08 | 2.09         | 2.02     | 2.09         |           |              | 2.83      | 2.88         |
| 21           | 2.01-2.02 | 2.04         | 2.01     | 2.09         | 2.83-2.84 | 2.88         | 2.78      | 2.84         |
| 22           | 2.02      | 1 2.05       | 2.01     | 2.09         | 2.93      | 2.88         | 2.76-2.77 | 2.83         |
| 23           | 2.02      | 2.06         |          |              | 2.82-2.83 | 2.87-2.88    | 2.75      | 2.82         |
| 24           |           |              | 1.99     | 2.08         |           |              |           |              |
| 25           |           |              |          |              | 2.83      | 2.86-2.87    |           |              |
| 26           | 2.06      | 2.10         | 1 1.99   | 1 2.07       | 2.82      | 2.86         |           |              |
| 27           | 1 2.06    | 2.09         | 1.98     | 2.05         |           |              | 2.71      | 2.80-2.81    |
| 28           | 1 2.09    | 2.11         | 1.92     | 2.01-2.02    | 2.76      | 2.81         | 2.74      | 2.81         |
| 29           |           |              | 1.94     | 2.01         | 2.72      | 2.76         | 2.75      | 2.83         |
| 30           | 1 2.10    | 2.11-2.12    |          |              | 1 2.71    | 2.76-2.77    | 2.74      | 2.82         |
| 31           |           |              | 1.94     | 2.01         |           |              |           |              |

*Sugar futures prices during the months of November and December, 1925-26*

[Cents per pound]

| Day of month | 1926      |              |           |              | 1925      |              |           |              |
|--------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|
|              | November  |              | December  |              | November  |              | December  |              |
|              | Spot      | Next distant | Spot      | Next distant | Spot      | Next distant | Spot      | Next distant |
| 1            | 2.75      | 1 2.77       | 3.21      | 3.19         |           |              | 2.40      | 2.42-2.43    |
| 2            |           |              | 1 3.17    | 3.18         | 2.21      | 2.27         | 1 2.35    | 2.44         |
| 3            | 1 2.79    | 2.81         | 1 3.21    | 3.21         |           |              | 2.35      | 2.40         |
| 4            | 2.80      | 1 2.82       | 3.14-3.16 | 3.17-3.18    | 2.22      | 1 2.29       | 1 2.38    | 1 2.37       |
| 5            | 2.79-2.80 | 2.82         |           |              | 2.17      | 2.25         | 1 2.35    | 2.35         |
| 6            | 1 2.79    | 2.82         | 1 3.24    | 1 3.26       | 2.19      | 2.26         |           |              |
| 7            |           |              | 1 3.29    | 3.31         | 2.19      | 1 2.25       | 2.34      | 2.35         |
| 8            | 2.80-2.81 | 1 2.83       | 1 3.26    | 3.27         |           |              | 2.28      | 2.28         |
| 9            | 2.80      | 1 2.84       | 1 3.21    | 3.22         | 2.21      | 1 2.27       | 1 2.17    | 2.24         |
| 10           | 2.77      | 1 2.82       | 3.27      | 1 3.26       | 2.23-2.24 | 1 2.28       | 1 2.23    | 2.29         |
| 11           | 2.77      | 2.82         | 3.25      | 3.25-3.26    | 2.30      | 1 2.33       | 1 2.27    | 2.26         |
| 12           | 2.78      | 1 2.83       |           |              | 2.41-2.42 | 2.39         | 1 2.25    | 2.24         |
| 13           | 2.79      | 1 2.84       | 1 3.32    | 3.28         |           | 2.38         |           |              |
| 14           |           |              | 1 3.26    | 1 3.27       | 1 2.39    | 2.41         | 2.29      | 2.27         |
| 15           | 2.76      | 1 2.81       | 1 3.26    | 1 3.25       |           |              | 1 2.31    | 2.38         |
| 16           | 2.78      | 2.83-2.84    | 3.21      | 1 3.27       | 2.37      | 1 2.36       | 2.35      | 2.41         |
| 17           | 2.83-2.84 | 1 2.89       | 3.17      | 3.23         | 2.25      | 1 2.29       | 2.29-2.30 | 1 2.38       |
| 18           | 2.96-2.97 | 3.00         | 3.21      | 3.26         | 2.26-2.27 | 1 2.33       | 2.31-2.32 | 2.37         |
| 19           | 2.98-2.99 | 1 3.03       |           |              | 2.32      | 1 2.36       | 2.33      | 1 2.38       |
| 20           | 3.05      | 3.09         | 3.22      | 3.27         | 2.28      | 2.34         |           |              |
| 21           |           |              | 3.22      | 3.26-3.27    | 2.30      | 2.36         | 2.33      | 2.40         |
| 22           | 3.03-3.04 | 3.07         | 3.19      | 3.22-3.23    |           |              | 2.33-2.34 | 2.40         |
| 23           | 3.13-3.14 | 1 3.16       | 3.19      | 3.24         | 2.29      | 2.39         | 2.32      | 2.41         |
| 24           | 3.16      | 3.16-3.17    | 3.18      | 3.25         | 2.29      | 2.39         | 2.33      | 2.42         |
| 25           |           |              |           |              | 2.35      | 2.40-2.41    |           |              |
| 26           | 3.13      | 3.14         |           |              |           |              |           |              |
| 27           | 1 3.10    | 3.11         | 1 3.16    | 3.25         | 2.36      | 2.42         |           |              |
| 28           |           |              | 1 3.15    | 1 3.24       | 1 2.36    | 2.40         | 2.36-2.37 | 2.44         |
| 29           | 3.15      | 3.18-3.19    | 3.16      | 3.25         |           |              | 2.38      | 2.44         |
| 30           | 3.20      | 3.20         | 1 3.23    | 3.31         | 2.36      | 2.51         | 2.40      | 2.45         |
| 31           |           |              | 1 3.25    | 3.32         |           |              | 2.40      | 2.45         |

<sup>1</sup> Quotation is nominal.

*Sugar futures prices during the months of November and December, 1923-24*

[Cents per pound]

| Day of month | 1924      |              |           |              | 1923      |              |           |              |
|--------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|
|              | November  |              | December  |              | November  |              | December  |              |
|              | Spot      | Next distant | Spot      | Next distant | Spot      | Next distant | Spot      | Next distant |
| 1.....       | 3.85      | 3.35         | 4.26      | 3.47         | 4.84-4.86 | 4.30-4.35    | 5.59-5.60 | 5.23-5.25    |
| 2.....       |           |              | 4.22      | 3.42         | 4.89-4.90 | 4.38-4.40    |           |              |
| 3.....       | 3.81      | 1 3.33       | 4.27-4.28 | 3.45-3.46    | 5.00-5.01 | 1 4.48       | 5.51-5.54 | 5.20-5.22    |
| 4.....       |           |              | 4.31      | 3.49         |           |              | 5.37-5.38 | 5.13-5.14    |
| 5.....       | 3.71-3.72 | 1 3.26       | 4.33      | 3.46         | 5.03-5.04 | 4.53-4.56    | 5.45-5.46 | 5.14-5.15    |
| 6.....       | 3.69-3.70 | 1 3.26       | 4.27      | 3.38         |           |              | 5.51-5.52 | 5.25-5.26    |
| 7.....       | 3.64      | 3.22-3.23    |           |              | 5.18      | 4.67-4.70    | 5.52-5.53 | 5.24-5.26    |
| 8.....       | 3.64      | 3.20         | 4.18      | 3.30         | 5.24-5.25 | 4.75         | 5.52-5.53 | 5.26-5.27    |
| 9.....       |           |              | 4.00      | 3.23-3.24    | 5.34-5.35 | 4.83-4.84    |           |              |
| 10.....      | 3.72      | 3.22         | 3.81-3.82 | 3.16         | 5.37-5.38 | 4.87-4.88    | 5.58-5.60 | 5.30-5.32    |
| 11.....      | 3.79      | 3.28         | 3.89-3.90 | 3.16         |           |              | 5.62-5.63 | 5.37-5.38    |
| 12.....      | 3.91      | 3.34         | 3.83-3.84 | 3.14         | 5.39-5.40 | 4.86-4.88    | 5.62-5.63 | 5.39-5.40    |
| 13.....      | 3.90      | 3.35         |           |              | 5.43-5.44 | 4.88-4.90    | 5.67-5.70 | 5.35-5.36    |
| 14.....      | 1 3.94    | 3.39         |           |              | 5.32      | 4.81-4.82    | 5.66-5.70 | 5.22-5.23    |
| 15.....      | 4.00      | 3.41         | 3.59      | 2.93         | 5.25-5.26 | 4.72-4.74    | 5.68-5.74 | 5.30-5.31    |
| 16.....      |           |              | 2.85      | 2.83-2.84    | 5.36-5.37 | 4.83         |           |              |
| 17.....      | 4.12      | 3.39         | 2.87      | 2.83         | 5.38-5.39 | 4.82-4.85    | 5.30-5.31 | 4.66-4.67    |
| 18.....      | 4.10-4.11 | 3.32         | 2.87-2.88 | 2.83         |           |              | 5.38-5.39 | 4.73-4.74    |
| 19.....      | 4.01      | 3.28         | 2.93      | 2.86         | 5.42-5.44 | 4.90-4.92    | 5.35-5.38 | 4.66-4.67    |
| 20.....      | 4.10      | 1 3.36       | 2.97      | 1 2.88       | 5.47-5.48 | 4.99-5.00    | 5.38-5.39 | 4.69-4.70    |
| 21.....      | 4.07      | 3.36         |           |              | 5.53-5.54 | 5.09-5.10    | 5.35      | 4.67-4.68    |
| 22.....      | 4.10      | 3.41         | 2.91      | 2.85-2.86    | 5.65-5.66 | 5.24-5.25    | 5.35-5.37 | 4.68-4.69    |
| 23.....      |           |              | 2.81      | 2.79         | 5.79-5.80 | 5.42-5.43    |           |              |
| 24.....      | 4.13      | 1 3.46       | 2.76      | 2.80         | 6.04-6.05 | 5.66-5.68    | 5.33-5.35 | 4.65-4.66    |
| 25.....      | 4.16-4.17 | 3.49         |           |              |           |              |           |              |
| 26.....      | 4.12      | 4.42-4.43    | 2.76      | 2.79         | 5.83-5.84 | 5.38-5.39    | 5.39-5.40 | 4.70-4.71    |
| 27.....      |           |              | 2.78      | 2.82         | 5.81-5.82 | 5.39-5.41    | 5.28-5.30 | 4.64-4.65    |
| 28.....      | 4.18      | 3.48         |           |              | 5.72-5.74 | 5.25-5.26    | 5.19-5.20 | 4.53-4.54    |
| 29.....      | 4.24-4.25 | 3-52-3.53    | 1 2.80    | 1 2.82       |           |              | 5.07-5.08 | 4.40-4.41    |
| 30.....      |           |              | 2.82      | 2.83-2.84    | 5.60-5.61 | 5.17-5.19    |           |              |
| 31.....      |           |              | 2.80      | 2.85         |           |              | 5.10-5.11 | 4.48-4.49    |

*Sugar futures prices during the months of November and December 1922*

[Cents per pound]

| Day<br>of<br>month | 1922      |                 |           |                 |                    |           |                 |           |                 |
|--------------------|-----------|-----------------|-----------|-----------------|--------------------|-----------|-----------------|-----------|-----------------|
|                    | November  |                 | December  |                 | Day<br>of<br>month | November  |                 | December  |                 |
|                    | Spot      | Next<br>distant | Spot      | Next<br>distant |                    | Spot      | Next<br>distant | Spot      | Next<br>distant |
| 1-----             | 3.62-3.63 | 1 3.33          | 3.94-3.96 | 3.57-3.59       | 16-----            | 3.83-3.84 | 1 3.52          | -----     | -----           |
| 2-----             | 3.60-3.61 | 1 3.30          | 3.92-3.95 | 3.56-3.60       | 17-----            | 3.83      | 1 3.54          | -----     | -----           |
| 3-----             | 3.68-3.69 | 1 3.33          | -----     | -----           | 18-----            | 3.78-3.79 | 3.50-3.52       | 3.67-3.70 | 3.40-3.41       |
| 4-----             | 3.67-3.68 | 1 3.33          | 3.92-3.93 | 3.56-3.58       | 19-----            | -----     | -----           | 3.63-3.70 | 3.35-3.36       |
| 5-----             | -----     | -----           | 3.95-3.96 | 3.69-3.70       | 20-----            | 3.84-3.86 | 1 3.54          | 3.60-3.65 | 3.36-3.37       |
| 6-----             | 3.73-3.74 | 3.42-3.45       | 3.99-4.00 | 3.61-3.62       | 21-----            | 3.86-3.87 | 3.58-3.60       | 3.63-3.65 | 3.38-3.39       |
| 7-----             | -----     | -----           | 3.90-4.02 | 3.64-3.65       | 22-----            | 3.86-3.87 | 1 3.64          | 3.65-3.67 | 3.39-3.40       |
| 8-----             | 3.74-3.75 | 1 3.43          | 3.99-4.00 | 3.68-3.72       | 23-----            | 3.89-3.90 | 1 3.74          | -----     | -----           |
| 9-----             | 3.73-3.74 | 1 3.42          | 3.99-4.00 | 1 3.77          | 24-----            | 3.91-3.92 | 3.75-3.80       | -----     | -----           |
| 10-----            | 3.73-3.74 | 1 3.43          | -----     | -----           | 25-----            | 3.95-3.96 | 1 3.76          | -----     | -----           |
| 11-----            | -----     | -----           | 4.00-4.02 | 3.75-3.77       | 26-----            | -----     | -----           | 3.67-3.70 | 3.43-3.44       |
| 12-----            | -----     | -----           | 4.01-4.02 | 3.75-3.76       | 27-----            | 4.08-4.10 | 3.80-3.82       | 3.75-3.76 | 3.49-3.50       |
| 13-----            | 3.72-3.73 | 1 3.43          | 3.96-3.97 | 3.60-3.65       | 28-----            | 3.96-3.98 | 3.70-3.72       | 3.78-3.81 | 3.47-3.48       |
| 14-----            | 3.73-3.74 | 1 3.48          | 3.90-3.93 | 3.60-3.65       | 29-----            | 3.99-4.00 | 3.67-3.69       | 3.82-3.83 | 3.51-3.52       |
| 15-----            | 3.74-3.75 | 1 3.48          | 3.94-3.95 | 3.65-3.66       |                    |           |                 |           |                 |

1 Quotation is nominal.



*Sugar futures prices during the months of November and December 1920-21*

[Cents per pound]

| Day of month | 1921     |              |          |              | 1920     |              |          |              |
|--------------|----------|--------------|----------|--------------|----------|--------------|----------|--------------|
|              | November |              | December |              | November |              | December |              |
|              | Spot     | Next distant | Spot     | Next distant | Spot     | Next distant | Spot     | Next distant |
| 1            |          |              |          |              |          |              | 5.30     | 5.34         |
| 2            | 2.41     | 2.31         |          |              |          |              |          |              |
| 3            |          |              | 2.25     | 2.11         | 7.35     | 7.34         |          |              |
| 7            |          |              |          |              |          |              | 4.58     | 4.63         |
| 8            | 2.43     | 2.35         |          |              |          |              |          |              |
| 9            |          |              |          |              | 6.18     | 6.15         |          |              |
| 10           |          |              |          | 2.26         |          |              |          |              |
| 14           |          |              |          |              |          |              | 4.13     | 4.15         |
| 15           | 2.38     | 2.34         |          |              | 5.50     | 5.55         |          |              |
| 16           |          |              | 2.11     | 2.13         |          |              | 4.58     | 4.78         |
| 17           | 2.28     | 2.25         |          |              | 5.05     | 5.13         |          |              |
| 21           |          |              |          |              |          |              | 4.48     | 4.66         |
| 22           | 2.31     | 2.17         |          |              |          |              |          |              |
| 23           |          |              | 2.00     | 2.10         |          |              |          |              |
| 29           |          |              |          |              |          |              |          |              |
| 30           |          |              |          |              |          |              |          |              |
| 31           |          |              |          |              |          |              |          |              |

## EXHIBIT 7

### VOLUME OF TRADING ON COFFEE AND SUGAR EXCHANGE

*Monthly volume of sales of raw sugar futures on the New York Coffee & Sugar Exchange, Inc., 1924-35<sup>1</sup>*

[Long tons]

| Month      | Old contract, 1935 | New contract, 1935 | Total, 1935 | 1934      | 1933      | 1932      | 1931      |
|------------|--------------------|--------------------|-------------|-----------|-----------|-----------|-----------|
| January    | 358,150            | 241,600            | 599,750     | 446,450   | 246,950   | 290,950   | 460,600   |
| February   |                    |                    |             | 459,950   | 466,750   | 650,950   | 607,050   |
| March      |                    |                    |             | 339,150   | 633,400   | 671,650   | 563,450   |
| April      |                    |                    |             | 441,350   | 1,018,700 | 527,050   | 644,000   |
| May        |                    |                    |             | 283,400   | 655,850   | 317,950   | 555,100   |
| June       |                    |                    |             | 509,850   | 747,150   | 667,400   | 673,350   |
| July       |                    |                    |             | 242,650   | 886,950   | 467,700   | 496,700   |
| August     |                    |                    |             | 670,950   | 541,950   | 458,800   | 496,100   |
| September  |                    |                    |             | 393,300   | 243,950   | 348,700   | 347,400   |
| October    |                    |                    |             | 444,350   | 539,700   | 365,900   | 321,950   |
| November   |                    |                    |             | 306,150   | 570,700   | 462,250   | 425,800   |
| December   |                    |                    |             | 251,750   | 264,750   | 291,300   | 319,100   |
| Total year |                    |                    |             | 4,789,300 | 6,846,800 | 5,520,600 | 5,915,900 |

| Month      | 1930       | 1929       | 1928       | 1927       | 1926       | 1925       | 1924      |
|------------|------------|------------|------------|------------|------------|------------|-----------|
| January    | 881,000    | 874,750    | 918,900    | 1,130,350  | 660,800    | 536,200    | 667,450   |
| February   | 910,450    | 1,230,100  | 1,358,850  | 1,367,250  | 936,700    | 760,650    | 931,300   |
| March      | 696,550    | 950,550    | 1,288,650  | 1,470,400  | 1,086,400  | 647,400    | 797,100   |
| April      | 977,450    | 1,220,650  | 880,100    | 1,358,700  | 1,335,600  | 936,050    | 1,083,000 |
| May        | 931,850    | 1,049,050  | 696,450    | 861,350    | 667,000    | 864,950    | 1,259,400 |
| June       | 874,100    | 1,628,400  | 1,510,650  | 1,765,800  | 1,159,550  | 1,060,250  | 988,700   |
| July       | 785,350    | 1,717,050  | 1,282,000  | 1,020,100  | 764,100    | 646,500    | 432,400   |
| August     | 809,500    | 977,650    | 1,208,600  | 1,318,300  | 1,064,100  | 843,050    | 675,550   |
| September  | 551,500    | 848,250    | 1,198,150  | 1,118,150  | 1,057,900  | 1,024,500  | 470,350   |
| October    | 1,166,650  | 678,750    | 842,750    | 788,300    | 866,800    | 982,700    | 338,300   |
| November   | 852,700    | 830,400    | 1,375,400  | 1,201,700  | 1,682,300  | 1,383,750  | 430,350   |
| December   | 934,850    | 705,250    | 817,500    | 983,500    | 1,178,950  | 937,550    | 593,850   |
| Total year | 10,371,950 | 12,710,850 | 13,378,000 | 14,333,900 | 12,460,200 | 10,623,550 | 8,722,750 |

<sup>1</sup> From the official reports of the New York Coffee & Sugar Exchange, Inc., 1928-35 from report dated Feb. 1, 1935; 1924-27 from report dated July 1, 1932.

## EXHIBIT 8

SALES OF CUBAN AND DUTY-FREE RAW SUGARS AT NEW YORK,  
SEPT. 1-DEC. 31, 1934<sup>1</sup>*Sales of Cuban and Raw Sugar at New York, Sept. 1 to Dec. 31, 1934*

| Month and day              | Buyer                                    | Quantity                       | Price   | Date of delivery                    |
|----------------------------|--|--------------------------------|---|-------------------------------------|
| <i>Cents per pound</i>     |  |                                |   |                                     |
| Sept. 4-----               | Philadelphia refiner.                    | 500 tons-----                  | 1.96 c. & f.-----                                   | Ex store Norfolk, prompt shipment.  |
| Sept. 7-----               | New York refiner.                        | 19,000 tons-----               | 2.86 duty paid-----                                 | Ex store.                           |
| Do-----                    | Revere-----                              | 11,000 tons-----               | 2.30 c. & f.-----                                   | Prompt shipment.                    |
| Sept. 8-----               | Godchaux-----                            | 36,000 bags-----               | 2.296 c. & f.-----                                  | Do.                                 |
| Do-----                    | Henderson-----                           | 15,000 bags-----               | do-----   | Do.                                 |
| Sept. 10-----              | New Orleans refiner.                     | 4,500 tons-----                | 1.97 c. & f.-----                                   | Ex store Norfolk.                   |
| Sept. 12-----              | American-----                            | 37,000 bags-----               | 2.296 c. & f.-----                                  | September shipment.                 |
| Sept. 25-----              | New York refiners.                       | 15,000-20,000 tons.            | 2.90 duty paid-----                                 | Ex store, prompt October shipment.  |
| Sept. 27-----              | New York and outport refiners.           | 2(?)-----                      | 2.94 duty paid-----                                 | Ex store New York.                  |
| Sept. 28-----              | New York refiner.                        | 4,500 tons-----                | 2.95 duty paid-----                                 | Ex store Norfolk.                   |
| Do-----                    | do-----                                  | 3,500 tons-----                | do-----   | Ex store, October delivery.         |
| Oct. 1-----                | Sales-----                               | (?)-----                       | 2.97 duty paid-----                                 | Ex store, October delivery.         |
| Oct. 2-----                | Refiner-----                             | 4,000 tons-----                | 3.00 and 2.98 duty paid.                            | Ex store, prompt and delayed        |
| Oct. 4-----                | Refiners-----                            | 130,000 tons-----              | 3.00 duty paid-----                                 | Ex store, prompt (outport option).  |
| Oct. 15-----               | Refiner-----                             | 4,300 tons-----                | 2.185 c. & f.-----                                  | Within 60 days.                     |
| Oct. 16-----               | Operator-----                            | 25,000 bags-----               | 2.95 duty paid-----                                 | Ex store Norfolk, prompt shipment.  |
| Do-----                    | Refiner-----                             | 4,300 tons-----                | 2.94 duty paid-----                                 | Ex store New York.                  |
| Oct. 17-----               | do-----                                  | (2,000-3,000 tons.             | 2.91 duty paid-----                                 | Ex store Norfolk, prompt shipment.  |
| Oct. 23-----               | Baltimore refiner.                       | 29,500 bags-----               | 2.91 duty paid-----                                 | Ex store New York, prompt shipment. |
| Nov. 7-----                | Refiners-----                            | 3,000 tons-----                | 2.85 duty paid-----                                 | Ex store Richmond and Norfolk.      |
| Nov. 15 <sup>3</sup> ----- | Trade-----                               | 11,000 tons <sup>4</sup> ----- | 2.86 duty paid-----                                 | Ex store New York.                  |
| Nov. 16-----               | Refiners-----                            | 10,000 bags-----               | 2.86 New York; 2.91 at outports.                    | Ex store.                           |
| Do-----                    | Outport refiner to Philadelphia refiner. | 450 tons-----                  | 2.92 duty paid-----                                 | Ex store prompt.                    |
| Nov. 19-----               | Refiner-----                             | 850 tons-----                  | 2.95 duty paid-----                                 | Ex store Norfolk, prompt.           |
| Nov. 20-----               | Refiners-----                            | 25,000 bags-----               | 3.00 duty paid-----                                 | Ex store New York.                  |
| Nov. 22-26-----            | do-----                                  | 100,000 bags-----              | 2.185 December use (1.60 and 1.65 for January use.) | Prompt shipment.                    |
| Do-----                    | do-----                                  | (?)-----                       | 1.65 c. & f.-----                                   | Do.                                 |
| Nov. 30-----               | Refiner-----                             | 4,000 tons-----                | 2.80 duty paid-----                                 | January use.                        |
| Do-----                    | do-----                                  | 71,000 bags-----               | 2.185 December use-----                             | Ex store New York.                  |
| Dec. 4-----                | do-----                                  | 17,000 bags-----               | 1.65 January use-----                               | December.                           |
| Do-----                    | Refiners-----                            | 25,000 bags-----               | 1.65 c. & f.-----                                   | January use, prompt.                |
| Do-----                    | Refiner-----                             | 50,000 bags-----               | 1.70 c. & f.-----                                   | Do.                                 |
| Dec. 5-----                | Refiners-----                            | 125,000 bags-----              | 1.70 c. & f.-----                                   | Do.                                 |
| Do-----                    | do-----                                  | 4,800 tons-----                | 2.90 and 2.975 duty paid.                           | Ex store New York.                  |
| Dec. 6-----                | Refiner-----                             | 1,920 tons-----                | 2.975 duty paid-----                                | Ex store Norfolk, prompt shipment.  |
| Dec. 8-----                | do-----                                  | 18,000 bags-----               | 1.70 c. & f.-----                                   | January use, December.              |
| Dec. 11-----               | Refiners-----                            | 48,000 bags-----               | 1.73 c. & f.-----                                   | January use, prompt.                |
| Do-----                    | Refiner to refiner.                      | 900 tons-----                  | 2.975 duty paid-----                                | Ex store Norfolk.                   |
| Dec. 12-----               | Refiners-----                            | 27,000 bags-----               | 1.70 c. & f.-----                                   | January use, prompt.                |
| Dec. 13-14-----            | do-----                                  | (55,000-70,000 bags.           | 1.73 c. & f.-----                                   | Do.                                 |
| Do-----                    | do-----                                  | 25,000 bags-----               | 1.70 c. & f.-----                                   | January use, Dec. 24.               |
| Dec. 17-----               | Refiner-----                             | 16,000 bags-----               | 2.60 duty paid-----                                 | Early January.                      |
| Dec. 19-----               | do-----                                  | 12,000 bags-----               | 1.70 c. & f.-----                                   | January use, late December.         |

<sup>1</sup> As reported by Willett & Gray. All tons are 2,240 pounds.<sup>2</sup> Quantity not reported.<sup>3</sup> Covers sales for week ending on the 15th.<sup>4</sup> Estimated.

*Sale of Duty Free Raw Sugar at New York, Sept. 1 to Dec. 31, 1934<sup>1</sup>*

| Month and day | Buyer              | Quantity         | Price                       | Producing area   | Date of delivery                  |
|---------------|--------------------|------------------|-----------------------------|------------------|-----------------------------------|
|               |                    | <i>Long tons</i> | <i>Cents per pound</i>      |                  |                                   |
| Oct. 4.....   | Refiners...        | 25,000           | 3.085 delivered.....        | Louisiana.....   | Oct. 15-Nov. 15.                  |
| Oct. 19.....  | Refiner.....       | 2,000            | 2.63 duty paid.....         | Philippines..... | Ex quota due Nov. 20.             |
| Oct. 23.....  | Baltimore refiner. | 2,000            | 2.55 duty paid.....         | do.....          | Ex quota late November.           |
| Oct. 26.....  | Refiner.....       | 4,900            | 2.63 duty paid.....         | do.....          | Ex quota November-December.       |
| Oct. 29.....  | do.....            | 671              | 2.80 c. i. f.....           | Puerto Rico..... | In quota, prompt shipment.        |
| Oct. 30.....  | do.....            | 4,150            | 2.65 c. i. f.....           | do.....          | Ex quota, early January shipment. |
| Nov. 5.....   | do.....            | 7,500            | 2.85 duty paid.....         | Philippines..... | Ex quota Nov. 18.                 |
| Nov. 7.....   | Refiners.....      | 2,600            | 2.58 duty paid.....         | do.....          | Ex quota late November.           |
| Nov. 20.....  | do.....            | 5,000            | 3.00 delivered New Orleans. | Louisiana.....   | Dec. 6.                           |
| Nov. 28.....  | Operator.....      | 3,000            | 2.55 duty paid.....         | Philippines..... | Ex quota prompt.                  |
| Dec. 5.....   | Refiners.....      | 2,500            | 2.59 duty paid.....         | do.....          | Ex quota in port, Norfolk.        |
| Dec. 12.....  | do.....            | 4,000            | 2.63 duty paid.....         | do.....          | Ex quota, prompt.                 |
| Dec. 27.....  | Operators.....     | 5,000            | 2.60 duty paid.....         | do.....          | In port.                          |
| Dec. 28.....  | Operator.....      | 2,000            | 2.65 duty paid.....         | do.....          | Ex quota in port.                 |

<sup>1</sup> As reported by Willett & Gray. All tons 2,240 pounds.

## EXHIBIT 9

## ABSTRACT FROM "FACTS ABOUT SUGAR" SEPTEMBER 6, 1924

## SHORTS SUFFER SQUEEZE AS SUGAR VALUES ADVANCE—SHARP UPWARD TURN IN SEPTEMBER QUOTATIONS ACCENTUATED BY COVERING OF PREVIOUS SELLERS

The spread between September and December options on the sugar exchange, which started last week as the nearer position rose higher than the more distant one, this week became more pronounced and took on the aspects of a "squeeze" in the former month. At the close August 4, September was quoted at 3.27 cents, while December the same day closed at 3.39, December showing a spread of 12 points over September. At the close September 4, September had risen to 4.14, while December had advanced to 3.99 cents, the relative quotations of the 2 months being completely reversed. The September quotation was 15 points above December, a net reversal of 27 points in their relative positions during the month.

## FURTHER COVERING ANTICIPATED

The heavy selling of September earlier in the year led up to the present situation, a large short interest having developed in the expectation that prices would decline with the near advent of new-crop sugars. Instead the statistical position has developed unexpected strength and the current shortage of spot sugars has made the bear position still more uncomfortable.

That this condition prevails not only for September positions, but also beyond this month, is believed to be indicated by the fact that an operator Thursday bought Cuban sugars for October shipment on a basis of 4.125 cents, cost and freight, that price being higher than had been paid by refiners the same day for sugar. The conclusion has been drawn from this transaction that some members of the short contingent are already taking steps to cover October positions.

## DECEMBER-MARCH SPREAD WIDE

The rapidly diminishing volume of supplies available between now and the end of the year is further reflected by the spread that has developed on the exchange between nearby positions and those for new-crop sugars. On August 4, December was quoted at 3.39 cents at the close, and March was quoted at 3.21, showing a difference of 18 points between the two positions. On September 4, December closed at 3.99, while March closed at 3.37, the spread between the 2 months having grown to 62 points in the 30-day period, while at one time Thursday it reached as high as 65 points.



While new-crop sugars are figured to relieve the situation by March, as the trade sees the matter today, it is evident that supplies for the latter part of the current year are going to be scarce and that December contracts will command a corresponding premium over later positions.

## EXHIBIT 10

### DECEMBER 1934 REVISION OF THE RULES OF THE NEW YORK COFFEE AND SUGAR EXCHANGE, ESTABLISHING THE NO. 3 CONTRACT, UNDER WHICH SUGAR FROM SOURCES OTHER THAN CUBA ARE ELIGIBLE FOR DELIVERY

NEW YORK COFFEE & SUGAR EXCHANGE, INC.,

December 5, 1934.

At a meeting of the board of managers held on the 5th instant the following amendments to the sugar trade rules necessary for the proper functioning of the proposed new sugar contract no. 3, were approved by the board to become effective Wednesday, January 2, 1935, subject to the ratification by the membership of such contract no. 3 and the amendments to the bylaws with relation thereto.

Amend the sugar trade rules by striking out rule 1, page 163, and substituting the following:

"RULE 1. The hours for trading in raw sugar shall be as follows:

"Contract no. 1.—10 a. m. to 2:55 p. m. (Saturdays 10 a. m. to 11:55 a. m.)

"Contract no. 2.—10 a. m. to 2:55 p. m. (Saturdays 10 a. m. to 11:55 a. m.)

"Contract no. 3.—10 a. m. to 3 p. m. (Saturdays 10 a. m. to 12 noon)."

"Dealings shall be limited throughout the entire year to the intervals between the hours above named unless otherwise ordered by the board of managers. The floor committee may, at its discretion, fine any member for violating this provision \$25 for each offense, or submit the case to the adjudication committee for further disciplinary action."

Amend sugar trade rule 8, page 172, by inserting in the eleventh line after the word "section 88a", the words "for contract no. 1 and contract no. 2 and section 88b for contract no. 3". The paragraph will then read:

"RULE 8. All contracts for the future delivery of sugar shall be binding upon members, and of full force and effect until the quantity and quality of the sugar specified in such contract shall have been delivered and the price specified in said contract shall have been paid. Nor shall any contract be entered into with any stipulation or understanding between the parties at the time of making such contract, that the terms of said contract as specified in section 88a, for contract no. 1 and contract no. 2, and section 88b, for contract no. 3, of the bylaws are not to be fulfilled and the sugar delivered and received in accordance with said sections: *Provided, however,* That any person holding a contract against another, corresponding in all respects, except as to price and date, with one held by the other party against him, may close or cancel both by giving notice in writing to the opposite party, at any time before notice of delivery; or where a 'ring' may be formed, all parties thereto shall be compelled to settle upon the terms hereinafter prescribed."

Amend sugar trade rule 12 (7), page 175, by inserting in the second line, after the word "notice", the words "for contract no. 1 and contract no. 2." The paragraph will then read: "(7) The party with whom a regular transferable notice for contract no. 1 and contract no. 2 shall finally lodge shall, within 1 hour thereafter, notify the issuer of the holding of such notice, and shall further, and within said prescribed time, advise said issuer as to the sampler, chemist, and weighmaster selected by such holder of a notice as provided in the next succeeding paragraph, so that the samples may be drawn at the time of the weighing. The failure on the part of the holder of any notice to notify the issuer thereof, as herein prescribed, shall subject such holder to the additional costs, if any, entailed in sampling after weighing."

Amend sugar trade rule 12 (7a), page 176, by inserting in the second line, after the word "notice", the words "for contract no. 1 and contract no. 2." The paragraph will then read:

"(7a) The last acceptor of a regular transferable notice for contract no. 1 and contract no. 2 shall, immediately upon receipt of such notice, appoint a sampler and chemist for the purposes prescribed in sugar trade rule 27 and, except as provided in the second succeeding paragraph, a weighmaster whose duty shall be to verify the weights at time of delivery. All such appointees shall be licensees of the exchange. In the event of the failure, for any reason, of the last acceptor of a notice, to appoint a checking weighmaster as herein provided, the superintendent of the exchange shall designate such weighmaster. The checking weighmaster appointed under the provisions of this paragraph shall collect his charge for that service from the receiver."

Amend the sugar trade rules by inserting, on page 176, a paragraph to be known as "rule 12 (7b)" and reading as follows:

"(7b) The party with whom a no. 3 contract transferable notice shall finally lodge (hereinafter called the 'receiver') shall, not later than 4 p. m. upon the same day, notify the issuer, in writing, of the holding of such notice and, if he calls for regular delivery, shall advise said issuer as to the sampler, chemist, and weighmaster selected to act for him as prescribed in trade rule 27, or if he calls for special delivery, shall advise said issuer the place in the port of New York where the sugar is to be delivered and the date desired, which date shall be not more than 10 business days thereafter, paying to the issuer \$112 before noon of the following business day. Failure to notify the issuer as prescribed above shall subject the holder to any additional costs entailed upon the issuer and, upon complaint by the issuer, to such penalty as may be fixed by the adjudication committee.

"Whenever a special delivery is stipulated by the receiver, which stipulation shall not be countermanded by the receiver, the deliverer may, not later than 11 a. m. the following business day, advise the receiver that he will forego the allowance of \$112 and will make delivery ex-warehouse.

"Upon special delivery (a) when the allowance is foregone, the sugar shall be weighed and sampled as it leaves the warehouse as prescribed in trade rule 27 and charges for labor out of warehouse shall be borne by the deliverer and all charges and expenses subsequent thereto shall be borne by the receiver; (b) when the allowance is paid, the sugar shall be weighed and sampled in like manner except where the destination named by the receiver is a New York refinery approved by the New York Coffee & Sugar Exchange, Inc., in which case weighing and sampling may, at the option of the receiver, be done at the refinery and the receiver may nominate the weighers and samplers employed by such refinery to act for him in determining the weight and grade of the sugar.

"In the case of special delivery, it shall be the duty of the deliverer to have the sugar available at the point required as nearly as feasible upon the date requested. If, however, such date, named by the receiver, should be after the regular delivery date specified in the transferable notice, all lighterage demurrage and insurance shall be for account of the receiver from the regular delivery date. Any deliberate failure by either the deliverer or receiver to cooperate fully shall subject the offending party to a penalty of twice the damages caused the innocent party, plus such other penalty, if any, as may be determined by the adjudication committee.

"In the case of a delay of, or interference with, a special delivery beyond the control of the deliverer, the deliverer shall be relieved of all penalties and extraordinary expenses incurred thereby, provided that a regular delivery could have been made within the regular delivery period, and any extraordinary expense incurred in making such special delivery shall be billed to the receiver and paid by him."

Amend sugar trade rule 12 (8), page 176, by inserting, in the fifth line, after the word "notice", the words "for contract no. 1 and contract no. 2." The paragraph will then read:

"(8) In case the weights have been established more than 7 working days prior to delivery, as permitted under sugar trade rule 21, the party with whom a regular transferable notice for contract no. 1 and contract no. 2 shall finally lodge shall appoint only a sampler and chemist in accordance with sugar trade rule 27."

Amend the sugar trade rules by striking out rule 12 (18) on page 178.



Amend the sugar trade rules, by inserting, on page 181, a paragraph to be known as "rule 13a" and reading as follows:

**"RULE 13a.—TRANSFERABLE NOTICE**

"— o'clock, New York, — 19—. X. & Co.,

"Take notice that on ———, subject to sugar trade rule 12 (7b), shall deliver you 50 tons of 2,240 pounds each in bags, of

|         |   |                                   |
|---------|---|-----------------------------------|
| Strike  | { | Cuban Centrifugal sugar in bond   |
| out all |   | Cuban Centrifugal sugar duty paid |
|         |   | Centrifugal sugar duty paid       |
| but one |   | Duty free Centrifugal sugar       |
|         |   | Domestic cane Centrifugal sugar   |

"In accordance with the terms of the contract sale to you at ——— cents per pound basis 96°<sup>1</sup> (plus the import duty on Cuban sugar of ——— cents per pound prevailing on ———)

"I (we) pledge myself (ourselves) to deliver to the last acceptor of this notice all documents as specified in the following conditions against payment for the sugar at the foregoing rate; allowance, if any, to be made for excess or deficiency in the duty as established between the entry weight and polarization and the delivery weight and polarization.

"Y., Z. & Co."

**CONDITIONS**

In consideration of \$1 paid to each of the acceptors, receipt of which is hereby acknowledged, it is agreed that the last acceptor hereof (hereinafter called the "receiver") will notify, in writing, Y., Z. & Co. (hereinafter called the "deliverer") prior to 4 p. m. today of his holding this notice, such notification specifying whether regular or special delivery is required. It is further agreed that the deliverer will deliver and the receiver will pay for the sugar as follows:

In case of regular delivery, the deliverer shall deliver invoice, negotiable warehouse receipt, weighers' return, and, in the case of delivery in bond, duly executed withdrawal entry, and the receiver will return this notice and pay for the sugar at the rate of ——— per pound in bond, basis Cuban Centrifugal 96° average polarization outturn with additions or deductions for other grades, according to the rate of the New York Coffee & Sugar Exchange, Inc., existing on the afternoon of the day previous to the date of this notice; such delivery and payments to be between the hours of 12 and 2 (10:30 and 11:30 on Saturdays) on the delivery date named in this notice.

In the case of special delivery, the deliverer agrees to deliver the sugar to any refinery or pier in the port of New York specified by the receiver, upon the day requested, or as soon thereafter as possible by the usual means of transportation. The deliverer shall present to the receiver a receipt by the specified refinery or by the lighterman, certifying the arrival of the sugar at the location specified and, if the weight and grade have been determined, the receiver shall pay for the sugar upon such presentation. If the weight and grade have not been determined, the receiver shall make pro forma payment of 98 percent of the amount estimated to become due, taking as a basis sugar at 96° and the weight at the customary average weight of the bags of the growth of sugar being delivered.

Whenever special delivery is made to a refinery and the weight and grade have not been determined prior to delivery, they shall be determined as promptly thereafter as feasible. If weighed and tested within 10 business days from the date of the transferable notice, lighterage charges shall be for account of the deliverer, but if weighed and tested thereafter, all charges from and after the regular delivery date, including insurance, shall be for account of the receiver, and the receiver shall pay the deliverer \$11.20 per contract for each week or fraction thereof from said regular delivery date to the date when the sugar shall be finally weighed and tested. Sugar shall be at the deliverer's risk until delivery of receipt and payment thereagainst by the receiver and thereafter at the receiver's risk and if lost or damaged prior to weighing and sampling, final settlement shall be at the weight and grade at which the sugar had been acquired by the deliverer.

As soon as final weights and tests are determined, this notice shall be returned to the deliverer and final payment shall be made at the rate of ——— per pound in bond basis Cuban Centrifugal 96° average polarization outturn with additions or deductions for other growths and/or grades according to the rate of the New

<sup>1</sup> "Strike out if delivery in bond.



York Coffee & Sugar Exchange, Inc., existing on the afternoon of the day previous to the date of this notice, and should such determination be later than the delivery date named in this notice, interest at the rate of 6 percent per annum shall be added to the amount due upon the final settlement.

Any extra expense incurred because of delay or postponement at destination for weighers' or samplers' time, or any reason except the fault of the deliverer, shall be billed to and paid by the receiver, as shall any demurrage or dock or other charges at destination.

It is further agreed that each acceptor hereof shall continue his liability to each other for the fulfillment of the contract until this notice shall have been returned to the deliverer and delivery effected, at which time all responsibilities of intermediate parties shall cease.

X. & Co.

#### FORM OF TRANSFER

— o'clock, New York,—, 19—.

Messrs. L. M. & Co.

We accept the above, with all its conditions and obligations, and you will please take notice that, in accordance therewith, we shall deliver you 112,000 pounds (about 50 tons) of sugar on account of our contract sale to you, dated ———, the sugar to be paid for at the price of transferable notice.

X. & Co.

Amend the sugar-trade rules by numbering the first paragraph on page 181 "rule 13b."

Amend the sugar-trade rules by striking out the first paragraph of rule 16, page 183, and substituting the following:

"RULE 16. The quantity named in the transferable notice for contract no. 1 or contract no. 2 is to be delivered in one licensed warehouse only and the quantity named in the transferable notice for contract no. 3 is to be delivered in or from one licensed warehouse only; or, in the case of special delivery, under contract no. 3, from one warehouse or vessel only, and as near as the weights of the original packages will permit, but in no case shall the deficiency or excess from weights specified on the face of the contract exceed 2 percent, except where such deficiency is caused by the allowances prescribed in sugar-trade rule 21."

Amend sugar-trade rule 21 <sup>(1)</sup>, page 186, by inserting in the fourth line, after the word "provided", the words "and except in the case of special delivery under contract no. 3." The paragraph will then read:

"RULE 21. <sup>(1)</sup> Sugar delivered on contract must be weighed, within the 7 working days preceding the delivery, except as hereinafter provided and except in the case of special delivery under contract no. 3, by a duly licensed weighmaster whose return shall accompany said delivery with date and time stated thereon when the weighing of the sugar began and ended, and such return, endorsed as hereinafter provided, shall establish the weights of the sugar therein specified and be good for 10 days, including the date of the return."

Amend the sugar trade rules by inserting the following on page 187 following rule 21 <sup>(2)</sup>:

"Rule 21, paragraphs 3, 4, 5, 6, 7, and 7a, apply only to sugar contract no. 1 and sugar contract no. 2."

Amend the sugar-trade rules by striking out rule 26, page 192, and substituting the following:

"RULE 26. Unless by mutual agreement of the buyer and seller in writing all transactions in sugar contract no. 1 shall be in bond and no sugar shall be a good delivery if the Government withdrawal limit for keeping the sugar in bond is less than 3 months from date of transferable notice."

Amend the sugar trade rules by striking out rule 29, page 194, and substituting the following:

"RULE 29. The rules governing a transferable notice for duty-free raw sugars under contract no. 2 shall be the same as for sugars in bond, with the exception that the clauses relating to 'in bond' and 'withdrawal entry or entries' are eliminated."











